BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Tuesday 24 February 2026 at 5.00pm **Room K-TO-624, Kingsway Campus** (MS Teams option available)

AGENDA

1.	**WELCOME**		
2.	**APOLOGIES**		
3.	**DECLARATIONS OF CONNECTION & INTEREST**		
4.	**MINUTE OF THE PREVIOUS MEETING** – 2 December 2025	Paper A for approval	
5.	**MATTERS ARISING**	Paper B for noting	
6.	**FINANCE**		
	(i) Financial Sustainability	Verbal update	SH/ST
	(ii) Budget Monitoring Update	Paper C for information	NA
	(iii) Draft Financial Strategy	Paper D for approval	NA
7.	**GARDYNE THEATRE LTD UPDATE**	Verbal Update	NA
8.	**INFRASTRUCTURE**		
	(i) Infrastructure Vision Update	Paper E for information	SH/ST
	(ii) Estates Update	Paper F for information	BG
9.	**PROCUREMENT**		
	(i) 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.	**SUPPORT SERVICES REPORT**	Paper I for noting	NA
12.	**DATE OF NEXT MEETING** –Tuesday 26 May 2026 at 5.00pm in Room K-TO-226, Kingsway Campus		

Agenda Item 4.0

FINANCE & INFRASTRUCTURE COMMITEE

Tuesday 24 February 2026

MINUTE OF THE PREVIOUS MEETING PAPER A

BOARD OF MANAGEMENT
Finance & Infrastructure Committee

Tuesday 2 December 2025

Minute of the Finance & Infrastructure Committee meeting held on Tuesday 2 December 2025 at 18:15pm in Room K-TO-226 Kingsway Campus and via Microsoft Teams.

PRESENT:	Brian Lawrie (Chair)	Stephen Oakley
	Laurie O'Donnell	Simon Hewitt
	Ged Bell	Robert Young
	Kirstin Marsh	Jenna Lawrence
	Colin Smith	Derek Stewart
IN ATTENDANCE:	Steve Taylor (Vice Principal)	Megan MacQueen (Executive Coordinator)
	Holly Farningham (Finance Manager)	Nicky Anderson (Director of Finance)
	Andy Ross (Director of Infrastructure)	Billy Grace (Head of Estates)

1. WELCOME

B Lawrie welcomed members to the Finance & Infrastructure Committee meeting.

2. APOLOGIES

Apologies were noted from D Mackenzie, D Smith and D Fordyce.

3. DECLARATIONS OF INTEREST OR CONNECTION

There were no declarations of interest or connection.

4. MINUTES OF PREVIOUS MEETING

The minute of the Finance and Infrastructure Committee meeting held on 9 September 2025 was approved as an accurate record.

5. MATTERS ARISING

B Lawrie confirmed that all outstanding Matters Arising were updated.

6. FINANCE ITEMS

6.1. FINANCIAL SUSTAINABILITY

B Lawrie proposed not going into great detail around this as proposals are operational and all noted within the detailed papers shared with Board members. B Lawrie noted these were excellent papers and well written and presented. It was also noted the progress made and speed that the situation is moving and the financial picture (whilst still challenging) was improving.

S Hewitt noted that no one wants to be in this position, but progress was being made and the picture had moved even since the meeting papers were issued. S Hewitt stated that the savings being achieved won't make an instant impact but will help towards future sustainability. Further VS applications had been received and the College remained on track to achieve the savings target identified.

S Hewitt noted the team are looking at options with Saltire Centre with Angus Council and Angus Alive. Government concerned about closing nurseries were also noted, alongside the possibility that some additional funding might be available to help support colleges with nurseries. S Hewitt noted the shift in narrative this time around and that colleges will be mentioned and recognised in the Scottish budget and that flat cash is no longer an option.

G Bell noted his thanks to the senior team for the ongoing work that is happening and gave credit for the College still operating as normal during this challenging savings plan. G Bell asked what the plan is for an improved credit model. S Hewitt noted that proposals have been sent to Scottish government but any changes were not clear.

S Hewitt will pass thanks on to Senior Team as they are working extremely hard under challenging circumstances.

The detailed savings paper, progress made and update was noted.

6.2. 2025/26 BUDGET UPDATE REPORT

N Anderson provided an update on the 2025/26 Budget Update Report, noting progress with the Sustainability savings plan set out in paragraph 3. N Anderson noted the College have identified baseline savings of £1.3m in 2025/26 rising to £2.5m in 2026/27 and £2.6m in 2027/28. This is after the first savings paper was issued for consultation. The second and final consultation is now closed, and during the first week in December we will have final decisions on the remaining proposed savings. This would be updated at the 9 December Board meeting.

N Anderson added the key issue for the Committee to note is that the 2025/26 budget is unlikely to reduce from the current £2.3m deficit because the cost of voluntary severance is likely to offset any in year salary savings made. The College is in discussions with the SFC around the cashflow implications of this and potentially drawing funds in advance if necessary. Still expect cash balances to fall to around £1.6m by 31 July.

Even with all this, re-setting the College finances to achieve medium to long term financial sustainability for the sector will not be possible without a change to sector funding and/or our credits target and we are in discussion with the SFC around this.

6.3. BUDGET MONITORING REPORT AT 31 OCTOBER 2025

N Anderson noted current projections are just £5k less than the deficit budget of £2.348m. The senior team will revise the budget in December to include the savings identified and monitor against that in the coming months.

6.4. DRAFT TUITION FEES 2026/27

N Anderson summarised the reviewed tuition fees, recommending they remain as they were for 2025/26 with the exception of an increase to the charge for part time single credits from £140 to £150 and the introduction of a £250 administration charge for international applicants, which would be deducted from course fees.

The changes and introduction of the international fee were welcomed.

S Taylor noted that the standard HE tuition fees set by the government have remained the same for 16 years.

The revised fees were approved by the Committee.

7. INFRASTRUCTUREE VISION UPDATE

S Hewitt presented an Infrastructure Vision update, however due to the visuals used this remains confidential at this time and not for wider circulation.

Good progress was being made towards the first draft of an outline business case (OBC) for discussion with the Board and background work on possible funding models and approaches to joint delivery of employability services were also being progressed.

The update was welcomed and B Lawrie noted that recent information provided to the D&A Foundation has also been welcomed.

R Young highlighted opportunities to visit other recent education infrastructure projects and S Hewitt welcomed this.

Timelines and next stages towards completion of the feasibility work and creation of an OBC were noted.

The progress and update were welcomed.

8. ESTATES UPDATE

B Grace summarised the Estates Update provided. C Smith asked what the trigger point for RAAC is, and when campuses are likely to be unusable. B Grace confirmed that the campuses can still operate however a Plan B is challenging, as there is no other single sites within Dundee that the College can move to, before the infrastructure project.

B Lawrie asked about the Health and Social care facility. B Grace confirmed the level of spend of 200K on infrastructure and 300k on equipment, and this is in line with the Gardyne infrastructure project.

The update was welcomed.

9. PROCUREMENT

9.1. ANNUAL PROCUEMENT REPORT

N Anderson introduced the annual report for noting and summarised key points. Procurement Report presents a summary of our procurement activity and compliance during 2024/25. (Total procurement spend has reduced by approximately 33% compared to 2024/25 with 46% of that being with small and medium enterprises.) N Anderson confirmed all regulated procurements were compliant and in line with our procurement strategy.

B Lawrie noted that the report is not for approval but was welcome.

9.2. PROCUREMENT UPDATE

N Anderson provided a summary of the procurement update and all required approvals were confirmed.

9.3. PROCUREMENT STRATEGY

N Anderson summarised the document for approval, adding the strategy is reviewed annually to ensure it complies with relevant legislation and College priorities. No significant changes were required as a result if this year's review.

B Lawrie noted the improved document is better and clarifies college objectives.

The strategy was approved by the Committee.

10. STRATEGIC RISK REGISTER

S Taylor confirmed that following discussions at the Audit & Risk Committee, there are no changes to the Strategic Risk Register at present. However, Financial Sustainability remains a high risk at this stage.

The report was approved.

11. SUPPORT SERVICES REPORT

N Anderson acknowledged the report for noting and highlights three helpful reports in terms of financial security - SFC Financial sustainability, Audit Scotland and Colleges Scotland - all helpful reports in terms of supporting Colleges messaging on the current financial position of the sector.

Report was welcomed by Committee in terms of highlighting activity and the additional funding.

12. DATE OF NEXT MEETING – Tuesday 24 February 2026, 5.00pm K-TO-624, Kingsway Campus

Action Point Summary

Action	Responsibility	Date
No actions noted		

Agenda Item 5.0

FINANCE & INFRASTRUCTURE COMMITEE

Tuesday 24 February 2026

MATTERS ARISING

PAPER B

BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Tuesday 26 February 2026

Matters Arising

Paper for information

The following actions were noted from Tuesday 2 December 2025 Finance & Infrastructure Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
	No actions noted		

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

Agenda Item 6.0

FINANCE & INFRASTRUCTURE COMMITEE

Tuesday 24 February 2026

FINANCE

6 (ii) Budget Monitoring Update PAPER C

Finance and Infrastructure Committee

Tuesday 24th February 2026

Budget Monitoring Report at 31 January 2026

Paper for information

1. Introduction

This report sets out the revised budget for 2025/26 and current projected outturn for the year 1 August 2025 to 31 July 2026 as at 31 January 2026. This report also sets out the cashflow forecast for the same period.

2. Recommendation

a) Finance and Infrastructure Committee is asked to note the revised 2025/26 budget position after implementation of the Autumn 2025 savings plan

b) Committee is also asked to note the projected 2025/26 outturn position at 31 January 2026 and the related cashflow projection. A summary of risks is attached at Appendix B.

3. Executive Summary

Board approved a £2.348m deficit budget (including £457k loan) in September 2025. It was approved as the base position with the caveat that action would be taken to bring the budget into balance as soon as feasible, acknowledging that the full level of savings may not be achieved within the 2025/26 year. The Board approved the 2025/26 budget process to deliver financial sustainability within the three-year budget period up to 2027/28.

As a result of the savings exercise carried out between September and December 2025, our 2025/26 deficit budget has reduced by £1.707m to £641k. Our year end projection has reduced by £1.561m to an £782k deficit. This is shown in the table below.

	2025/26 Budget £000	Year end projection £000
Operating deficit	1,826	1,821
GTL subsidy	65	65
Loan repayment	457	457
Pre-savings position (Nov 25)	**2,348**	**2,343**
December 2025 savings reduction	(1,255)	(1,234)
movements	(452)	(327)
Deficit position at 30 January 2026	**641**	**782**
Total savings/movement to date:	**1,707**	**1,561**

Below is a breakdown of the £1.707m savings & movements included in the revised budget.

Category	Department	Full year FTE	25/26 in yr Budget Reduction £000
Income	Building & Estates Support Team		(30)
Non-pay	Building & Estates Support Team		(100)
Non-pay	Various Departments		(54)
Non-pay	Learning & Digital Resources		(265)
Pay	Academic Partnerships Team	(1.00)	(31)
Pay	Access & Supported Education	(0.40)	(13)
Pay	Building & Estates Support Team	(1.00)	(32)
Pay	Building Services	(0.50)	(43)
Pay	Children & Young People	(1.00)	(17)
Pay	Director of Curriculum & Partnership	(1.00)	(42)
Pay	Engineering	(0.74)	(38)
Pay	Essential Skills	(0.84)	(40)
Pay	Finance	(1.00)	(26)
Pay	Guidance and School & Community Liaison	(4.17)	(103)
Pay	Hair, Beauty & Comp. Therapies	(0.52)	(16)
Pay	Health & Social Care	(1.00)	(63)
Pay	Human Resources	(0.12)	(2)
Pay	Isla Refectory	(0.47)	(9)
Pay	Learning & Digital Resources	(1.57)	(35)
Pay	Marketing Services	(2.50)	(70)
Pay	Networks	(2.00)	(41)
Pay	Organisational Development	(2.50)	(100)
Pay	Performing Arts	(0.62)	(33)
Pay	Print Services	(0.66)	(13)
Pay	Senior Leadership Team	1.00	18
Pay	Sport & Fitness	(0.17)	(6)
Pay	PTV hours adjustment		(452)
Income	Helping Hands Nursery		(52)
Total		**(22.78)**	**(1,707)**

The in-year budget adjustments include salary and non-pay costs to date, pay in lieu of notice, holiday pay and backpay relating to the support pay award.

Further savings

Work is ongoing to finalise the remaining savings within the sustainability plan including catering service, Children and Young People Team, Health and Social Care Team, Performing Arts and Sports and Fitness Team.

4. Projected Outturn as at 31 January 2026

Operating budget projected outturn

Appendix A details the revised operating budget (including projects, capital and loan) compared to the projected outturn at 30 January 2026.

Our operating position is a projected deficit of £782k. This is £141k more than our revised deficit budget (£641k).

When we began the savings exercise, we expected the costs of Voluntary Severance to almost completely offset the in-year pay savings, so we reported that the deficit was unlikely to reduce significantly by the 31 July 2026.

However, the savings generated reduced pay costs by £1.5m and were only partially offset by an overspend of £0.5m in severance costs. This was because we were able to reduce a higher number of variable hours than expected and they didn't attract severance costs.

We also reduced no-pay expenditure by £400k and achieved additional income of £100k.

We will update this projection once the remaining savings have been finalised. Analysis of our income projection is in progress and this may reduce our projected outturn.

5. Cashflow projection

Cash held at 31 January 2026 is £5.268m. This represents 26 days cash relative to forecast expenditure. We expect to drawdown additional funds in advance of £950k in February and £2.0m in March which will be offset in June and July respectively.

Cashflow forecast 2025/26	2024/25 £000 Actual	2025/26 £000 Forecast
Cash backed surplus/(deficit)	(3,895)	(367)
Loan repayment	(457)	(457)
Capital expenditure	1,178	1,208
Capital funding	(1,178)	(1,208)
Asset disposal	(588)	0
Working capital movements	2,239	(2,877)
Net movement in cash balances	**(2,701)**	**(3,701)**
Opening cash balances	4,076	6,777
Closing cash balances	**6,777**	**3,076**
Net movement in cash balances	2,701	3,701

6. Link to Strategic Risk Register

Managing the budget and reporting to the SLT supports the mitigation of strategic risk 2.2 – failure to achieve institutional sustainability.

Author: Nicky Anderson – Director of Finance
Holly Farningham – Finance Manager
Executive Sponsor: Steve Taylor, Vice Principal – Support Services & Operations

Appendix A

Budget monitoring position 2025/26	Revised Operating Budget	Actuals	Projected Outturn at 31 Jan	(Underspend)/ Overspend
	£000	£000	£000	£000
Teaching Grant	(31,460)	(18,066)	(31,460)	0
Other SFC Grants	(4,338)	(2,043)	(4,528)	(190)
SFC Total	**(35,798)**	**(20,109)**	**(35,988)**	**(190)**
Tuition Fees	(2,571)	(1,942)	(2,565)	6
Non core income	(3,928)	(1,384)	(4,254)	(326)
Catering & other income	(2,490)	(1,127)	(2,431)	59
Donation from ALF	(145)	0	(145)	0
Total income	**(44,932)**	**(24,562)**	**(45,383)**	**(451)**
Staff pay				
Teaching pay - established	17,965	8,871	17,805	(160)
Teaching pay - variable	1,723	763	1,904	181
Invoiced staff costs	535	160	541	6
Teaching support pay	2,767	1,434	2,789	22
Support pay	12,505	6,347	12,337	(168)
Apprenticeship levy	125	58	115	(10)
Voluntary Severance Scheme	300	352	818	518
Unfunded pension payments	430	175	416	(14)
Total pay	**36,350**	**18,161**	**36,725**	**375**
Non-staff costs				
Staff related costs	293	132	302	9
Consumables and equipment	1,817	755	1,885	68
Exam fees	780	347	757	(23)
Student related costs	177	133	185	8
Property cost	2,962	1,215	3,045	83
ICT and telephony	957	778	982	25
Insurance	212	212	212	0
Marketing	132	52	132	0
Professional fees	161	(17)	223	62
General overheads	278	172	279	1
Interest and charges	110	26	75	(35)
VAT	822	377	841	19
Total non-staff costs	**8,701**	**4,184**	**8,918**	**217**
Total Income	(44,932)	(24,562)	(45,383)	(451)
Total Expenditure	45,051	22,345	45,643	592
Non-consolidated (surplus)/deficit	**119**	**(2,217)**	**260**	**141**
Gardyne Theatre Limited deficit	65		65	0
Consolidated (surplus)/deficit	**184**	**(2,217)**	**325**	**141**
Loan repayment	457	0	457	0
Overall (surplus)/deficit	**641**	**(2,217)**	**782**	**141**

Appendix B

Risk	Forecast Outturn £000	Risk assessment Likelihood	Impact	Overall	Mitigating actions
Other SFC grants	(4,528)	Low	Medium	Low	We received £190k additional income for the replacement Chiller and Infrastructure Project from SFC and this is built into the projections. The budget includes £194k we expect to receive from SFC to fund the support staff pay increase above 3% (1.14%). We have received confirmation that this will e paid in the next two weeks.
SFC credit income	(31,460)	Low	Low	Low	Our credit target is currently expected to be achieved. However, the impact of HE stundents being recruited by local universtities is a risk. We are carrying out a review of income projections in the coming weeks and will update the projections accordingly, however, there is a risk that we may not achieve our full credit target. We have limited influence over demand, however, we can influence recruitment, delivery and retention.
Tuition fee income	(2,565)	Medium	High	Medium	Student and company debt outstanding at 31 December 2025 is £560k. This is an increase of £89k compared to 30 November 2025 (£471k). This overall increase is expected at this time of year, as we are still raising invoices for new students.
Non-core income	(4,254)	Low	Low	Low	This category contains a disparate range of activities. There is potential for movement on projects income as well as expenditure.
Catering and other income	(2,576)	Medium	Low	Medium	Forecasts tend to be prudent, however, there is potential for adverse movement on catering income given the current cost of living crisis.
Staff pay	36,725	Medium	Medium	Medium	We continue to refine staff cost projections on an individual employee basis as the year progresses. Our projections for PTV hours are based on actual hours worked up to December 2025 and estimated hours for the remainder of the year.
Property costs	3,045	Low	Low	Low	Property costs are being carefully managed in year in order to mitigate any risks.
Non-pay expenditure, excluding property	5,873	Low	Low	Low	Effective budget monitoring and monthly meetings with budget holders will ensure these budgets are effectively controlled and variances are identified early enabling prompt mitigating action.

Agenda Item 6.0

FINANCE & INFRASTRUCTURE COMMITEE

Tuesday 24 February 2026

FINANCE

6 (iii) Draft Financial Strategy — PAPER D

Finance & Infrastructure Committee
Tuesday 24 February 2026

Draft Financial Strategy 2026 to 2030

Paper for approval

1. Executive Summary

The College's Financial Memorandum with the Scottish Funding Council, the Scottish Public Finance Manual (SPFM) and the Code of Good Governance for Scotland's Colleges set out the financial governance requirements placed on the College. These documents provide guidance to public bodies on the proper management of public funds and this includes a regularly reviewed Financial Strategy.

A Financial Strategy is essential for institutional health and future planning, particularly in our challenging financial environment as it helps us to plan ahead to manage deficits and cost pressures, plan capital investment, identify emerging risks and safeguard liquidity and reserves.

Given the uncertainties across the college sector, this Strategy will be reviewed annually to ensure continued responsiveness and agility. Through disciplined financial management, proactive scenario planning, and a commitment to innovation and efficiency, the College is well placed to manage future challenges while continuing to deliver high-quality learning and contribute to regional economic and social prosperity.

The draft Financial strategy takes into account the following documents:

- SPFM and Financial Reporting Manual (FreM) requirements
- Financial Memorandum & Code of Good Governance
- Colleges Scotland guidance
- Actions from the Dundee University/Gillies review and our own Governance Action Plan
- Charities regulator's guidance on reserves

2. Recommendations

Finance and Infrastructure Committee is asked to consider the draft Financial Strategy at Appendix A and if appropriate. recommend the document to the Board for approval.

3. Conclusion

Dundee and Angus College faces a persistently challenging financial environment, with flat cash funding, rising costs, and sector-wide structural deficits placing continued pressure on the College's long-term sustainability. Despite this, the College has taken decisive action through targeted savings, strengthened financial governance, and comprehensive scenario planning to stabilise the position and maintain operational resilience.

This Financial Strategy sets out a clear and evidence-based plan to guide the College to 2030. It outlines the key assumptions underpinning our medium and long-term forecasts, identifies the strategic risks affecting the College's financial health, and provides a framework for making informed decisions on cost control, income diversification, investment, and organisational change. The strategy also recognises the importance of aligning financial plans with Our College Strategy 2030, the Infrastructure Vision, and the need to protect student experience and staff wellbeing.

4. 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: Steven Taylor Vice Principal Support Services and Operations

DUNDEE AND ANGUS COLLEGE

Financial Strategy 2026 to 2030

DRAFT February 2026

Contents

01 Purpose and objectives of our Financial Strategy

02 National and Dundee and Angus College financial landscape

03 January 2026 budget announcement - Scottish colleges

04 Financial Risks and wider budget considerations

05 Budget setting assumptions and action plan

06 Five-year budget forecast and scenario planning

07 Timeline and conclusions

Appendix A - Principles underpinning focused cost reductions and financial sustainability planning

Appendix B – Summary of Budget Assumptions

01

Purpose and objectives of our Financial Strategy

Purpose and Objectives of our Financial Strategy

The overall purpose of our financial strategy is to ensure we meet our statutory obligations and specifically to:

- Ensure financial stability (a condition of our funding)
- Provide a framework to prioritise and manage our resources by monitoring muti-year financial plans
- Maintain strong governance and financial accountability
- Quantify our future needs and wants, using strategic scenario planning
- Identify & mitigate known or emerging risks
- Safeguard liquidity & prevent insolvency risk
- Align our financial strategy with Scottish Government national objectives, Our College Strategy 2030 and our other college strategies

OBJECTIVES OF OUR FINANCIAL STRATEGY

To achieve long-term financial security to make sure

- Our College Strategy 2030 is financially viable
- Our objectives and planned resources are appropriately balanced
- We have a target for reserves/surplus/cash balances
- We continue to be trusted and respected throughout Scotland

To plan and control development and innovation to

- Futureproof our courses to enable student success, inclusivity and career readiness
- Deliver our infrastructure ambitions
- Maintain our current physical infrastructure
- Drive sustainability and make our campuses are inclusive and accessible
- Make sure we understand the full financial and strategic impact of development projects at the start, e.g. whole life costs, best/worst case scenarios, value for money, risks and opportunities
- Ensure our decisions are evidence based

To invest appropriately in key resources and capabilities in the medium to long term to

- Develop our staff, embed wellbeing and support and create a culture that nurtures innovation, ownership, accountability and aspiration
- Maintain and futureproof our digital systems
- Ensure value for money, continuous improvement, efficiency and effectiveness

To ensure our financial resources are used to best effect to meet our long-term goals to

- Implement our Infrastructure Vision
- Plan for future teaching capacity/re-growth
- Ensure our existing partnerships remain effective
- Strengthen our community connections
- Drive economic growth
- Create new partnerships, sources of funding and income streams
- Make sure we remain future focussed

02

National and Dundee and Angus College financial landscape

National financial landscape

Audit Scotland's 2025 report on colleges (**LINK**) found that overall Scottish College funding reduced by 20% in real-terms between 2021/22 and 2025/26.

Audit Scotland analysis of College budgets 2025	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Real term reduction
Scottish Colleges net resource allocation	675.7	675.7	675.7	643.0	659.7	20%

The Scottish Funding Council's report into Financial Sustainability of Colleges in Scotland (2022/23 to 2027/28) (**LINK**) highlighted the severity of the financial position across the college sector. See table to right.

The SFC suggested potential short term survival measures such as voluntary severance, vacancy freezes, estates disposal and curriculum rationalisation.

Evidence from Scottish colleges suggests that by the end of 2027/28 only eight colleges expect to hold positive closing cash balances and only two colleges expect to at least break even.

SFC HEADLINES:

•Structural unsustainability

•Widening deficits

•Failing cash reserves

•Insolvency risk from 2025-26

KEY TRENDS:

- Deficits: £1.2m (20233/24) up to £42m (2027/28)
- 92% of colleges in deficit by 2025/26
- Cash: £130m (2023/24) reduced to £46m by 2027/28
- Staffing: 667 FTEs to leave by 2028

STRUCTURAL PRESSURES:

- Flat funding Vs rising staff, pension & operating costs
- Severe estates backlog (RAAC, cladding, net zero)
- Limited commercial growth and no borrowing powers

IMPLICATIONS:

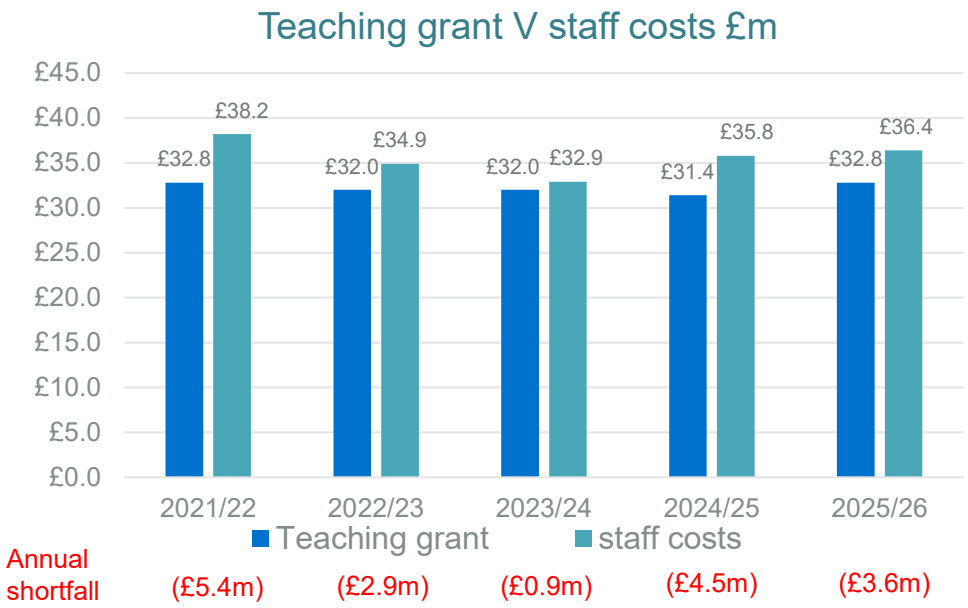
- Insolvency risk escalates 2025/26
- Cuts to staff and curriculum means reduced student experience
- Industrial relations pressures
- Systemic funding reform required

Following the Dundee University financial and governance issues highlighted in 2025, the SFC published an outline of their expectations (**LINK**) from the sector of good governance practice.

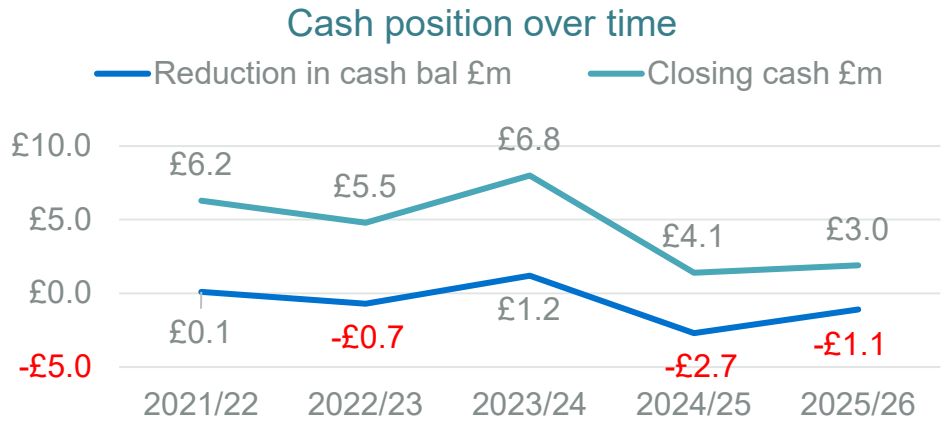
The College SLT had already completed a self-evaluation and developed an action plan in respect of these matters. This has since been updated to include the lessons learned checklist outlined within the independent investigation report by Professor Pamela Gillies (**LINK**).

This reflection and action plan has been reviewed by Finance and Infrastructure Committee and Board who receive regular progress updates. Any relevant outstanding actions are woven into this financial strategy.

Dundee and Angus College historic financial landscape



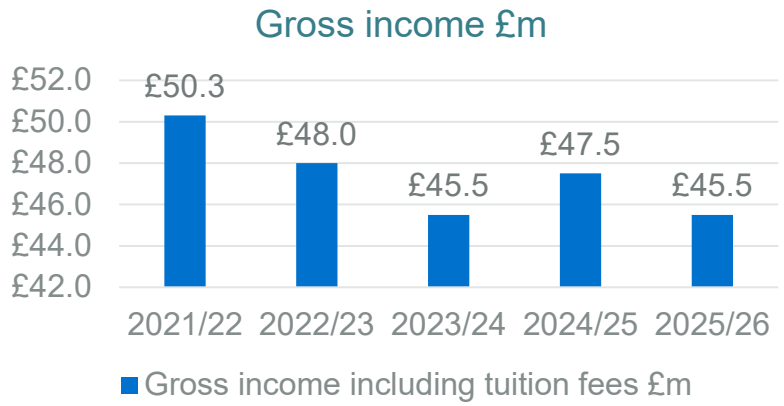
2025/26 staff costs based on December 2025 projections, including savings and PTV review



Since 2021/22 cash balances fell from £6.2m to a 2025/26 projected year end position of £1.6m (before the Autumn 2025 savings exercise). Savings achieved will increase our projected cash balance to c£3.0m by 31 July 2026 (25 days). A £3.0m 2025/26 year-end balance would represent a 52% reduction in year end cash Vs 2021/22.

The above graph shows our teaching grant is consistently lower than annual staff costs over the 2021/22 to 2025/26 period. The savings exercises carried out in 2022/23 and 2023/24 brought the staff costs to teaching grant ratio closer to balancing (£0.9m), however, the continued annual increase in staff costs Vs flat cash settlements means the gap has again significantly widened. In 2025/26 our SFC funding only covers 90% of our staff costs. Staff costs represent 80% of our total expenditure.

*2025/26 staff costs figure in the above table include the impact of the December 2025 savings exercise.



	2021/22	2022/23	2023/24	2024/25	2025/26
FTEs	652	641	634	626	620
Headcount	864	865	818	758	756

The above table shows the reduction in full time equivalent (FTE) staff and headcount over the same period.

Our 2025/26 total income, including teaching grant has reduced by 9.5% compared to 2021/22. This reduction is mainly due to reducing tuition fees and education contracts and fewer or lower value grants/projects.

03

January 2026 budget statement – Scottish colleges

Scottish Colleges January 2026 budget announcement

The Education and Skills Portfolio will receive £4,885 million in 2026/27. This represents a real increase of 23.1% compared to 2025/26.

Scottish Colleges Budget
Scottish Government announced a £70m (10%) increase for colleges for 2026/27 in their January 2026 budget announcement.

Scottish Budget Overall Announced 13th January 2026	2025/26 Actual £m	2026/27 Actual £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
Total Scottish budget	59,536	61,677	62,968	64,583	66,731	68,420
Real terms growth rate	-	1.3%	0.1%	0.7%	1.5%	0.6%
Resource funding	52,340	54,109	55,420	57,018	59,120	60,909
Real terms growth rate	-	1.1%	0.4%	1.0%	1.8%	1.1%
Capital funding	7,196	7,568	7,548	7,565	7,611	7,511
Real terms growth rate	-	2.9%	-2.2%	-1.6%	-1.2%	-3.2%

All Colleges budget Source: Education, Children & Young People Committee papers 21 January 2026. *Ministerial letter to Chair 26/1/2026	2024/25 £m	2025/26 £m	2026/27 £m	Movement 2025/26 to 2026/27 £m	Movement 2025/26 to 2026/27 %
Colleges resource budget*	643.0	659.7	721.1	61.4	**9.3%**
* Includes £7m towards 2025 NI increase & £14m switch from capital					
Capital budget					
Dunfermline campus		30.3	1.1		
All other colleges capital budget		34.5	42.7	8.2	**23.8%**
Total colleges capital budget	84.9	64.8	43.8	(21.0)	(32.4%)
	727.9	**694.2**	**763.8**	**69.6**	**10.0%**

Scottish Colleges 10% increase
This £70m increase comprises £61.4m (9.3%) in resource budget and £8.2m (23.8%) for capital. This excludes the separate capital budget for Dunfermline campus.

Ministers have indicated that the additional funding is conditional on college transformation by providing radical reform, sustainable growth and collegiate working.

Decisions on how the funding is distributed between colleges will be made by the Scottish Funding Council (SFC).

04

Financial risks and wider budget considerations

Our financial risks and wider budget considerations

The Strategic Risk Register details the high-level risks impacting on the College. Alongside the strategic financial risks there are other operational risks and considerations which may impact on the College's ability to be financially stable. These are summarised below. Many of these are outwith our control., however, it is important that we scenario plan and monitor our future potential financial position to mitigate these risks



Our students

- Student demographics – maintaining enrolments, retention and course completion
- Cost of living crisis is driving more learners straight into work
- We need to maintain and improve our excellent student experience
- Need to offer what learners want and need and how
- Increased competition - university entry criteria impacts our student numbers as well as on-line courses
- Increasing student support needs e.g. cost of living crisis, poor mental health.

Our staff

- Fewer staff, less front-line student support. Potential impact on student experience and what our staff can offer
- Though we have excellent staff survey results there is a risk that people get tired, disenchanted and morale reduces due to the repeated need for savings
- Talent retention/workforce planning

Our campuses

- Investment in our infrastructure vision is not yet formally secured
- What is our Plan B if new infrastructure plans are not approved?
- How do we maintain our aging infrastructure in the meantime?
- Lack of funds to invest in digital capability, digitise processes, futureproof courses
- Ever increasing cyber security & business continuity risk

Future outlook

- What size do we want/need to be to meet future student needs?
- Expand and develop our part time and work-based learning - efficiency & funding impact
- What should our future course offer be?
- Do we want to re-grow course provision for long term sustainability?
- Potential over-reliance on SFC funding? 80% of our 2025/26 income is from SFC. (college average 77%). What's a reasonable/achievable mix for funding sources?

Cashflow/liquidity

- Short-term liquidity is a serious risk for all colleges
- What year end reserves level should we aim for? (What is reasonable/achievable?)
- Do we want to plan for contributions to the ALF for future use?
- Cash balances are declining – without action we would run out of cash in spring 2027

Funding and income

- Only one year budget confirmed, so planning for medium to long term difficult
- Funding may be subject to in-year change with little/no notice
- Credit target may become difficult to meet
- Potential reduction in future years' funding
- Additional governance/scrutiny from SFC/SG after Dundee University issues
- Capital funding switch to revenue approved for 2026/27, unclear for future years
- Lack of clarity on transformation agenda conditional funding
- Potential lack of or low contribution from non-credit funded activity
- Competition to secure external funding has never been higher

05

Budget setting assumptions and action plan

Dundee and Angus College budget setting assumptions

Budget Assumptions

We now develop three-year budgets, with forecasting up to five years ahead to allow scenario planning and help identify risks. Our budget assumptions detail the key information, drivers, estimates and judgements that influence the budget we set for key income and expenditure areas. This includes assumptions on future years budget levels and any future actions required to deliver financial sustainability in the longer term. Our annual indicative funding announcement is expected in March, and final confirmation of funding is usually in May.

INCOME BUDGET ASSUMPTIONS

Credit assumptions

We will assume that our credit target remains consistent with 2025/26 credit target of 98,307 for the period of the Financial Strategy. This target includes a 2% tolerance threshold below which, the SFC can clawback any funding relating to unmet targets.

Informal indications from SFC suggest there may be credit target flexibility to allow transformation to a long term sustainable financial position, so we will assume that unmet credits targets will not attract financial clawback.

SFC funding assumptions

Ministers announced a £70m (10%) budget increase for colleges in January 2026. The SFC will decide how this is distributed across colleges and Ministers have made it clear that the additional funding is conditional upon radical reform, sustainable growth and collegiate working in colleges. No further guidance is available at the time of writing this Strategy.

The budget announcement figures are unclear, after review we assume that the 10% uplift includes academic and support pay awards and academic pension increases from April 2025. The additional cost of the National Insurance increase (April 2025) is included.

A switch from capital (CDEL) to revenue (RDEL) funding is confirmed for 2026/27. We will assume a solution is implemented for future years (after modelling both scenarios).

SFC funding scenario models:

- We will assume flat cash based on the 2026/27 award for the period of this Strategy.

Tuition fees and non-core income assumptions

The fee policy is reviewed by Finance and Infrastructure Committee each December. Tuition fees were not increased for 2026/27. Tuition fee assumptions will be based upon previous years' student numbers, adjusted for withdrawals and other known/anticipated changes. Fees will be based upon 2026/27 agreed charges. We will include the risk/ impact of Dundee and Abertay University HN recruitment. We will assume future volumes remain consistent with 2026/27 assumptions.

Managing Agent Fees - We will base our assumptions on previous years student numbers, adjusted for any known/anticipated volume/ fee rate changes.

Non-core fee income levels are within the control of the College but are subject to market forces. We will assume previous years student numbers, adjusted for known/anticipated volume changes. Fees will be based upon 2026/27 levels and a stretch target will be considered by SLT as part of the budget review process.

We will continue to identify and secure opportunities for additional and alternative funding that provides either an income or opportunity contribution to the College.

Catering and other income assumptions

This includes income from our three catering outlets, training restaurants, nursery, salon revenue, accommodation lettings, grant income, library and other small charges. Except for nursery income, charges are within the control of the College.

Infrastructure assumptions

We will assume our infrastructure development will be approved for the purpose of this Financial Strategy whilst we continue to lobby for a firm decision.

Dundee and Angus College budget setting assumptions

EXPENDITURE BUDGET ASSUMPTIONS

Staff pay assumptions

Pay awards for academic and support staff are outwith College control as they are agreed nationally. The annual Financial Forecast Return to SFC advises colleges to assume estimated pay awards are based upon published Public Sector Pay Policy (PSPP). In practice, agreed pay awards tend to be higher than the published PSPP.

We will model pay awards on nationally agreed awards and on Public Sector Pay Policy where awards are not yet agreed except 2026/27 where we assume the academic increase is 4.14% in line with support pay.

Staff pay award	2026/27 %	2027/28 %	2028/29 %	2029/30 %	2030/31 %
Support	*3.4%	*3.0%	3.0%	3.0%	3.0%
Academic	4.15%	3.0%	3.0%	3.0%	3.0%

* Agreed pay awards

We will continue to offer voluntary severance and assume that the job evaluation exercise implementation costs will be fully funded by Scottish Government.

Academic assumptions - Draft budget will be initially based on confirmed academic teaching weeks and planned courses/streams. This will be revised in September each year to account for actual course take up. Sickness cover will be based upon previous years' data and current sickness % levels. Training hours will be based upon planned OD activity and previous years' take up data.

Support staff assumptions – based on established hours and known changes. We will consider a vacancy management % reduction to the support staff budget to account for time delay of backfilling vacancies as part of the budget review process.

Non-pay expenditure assumptions

This is expenditure on travel, consumables, equipment, awarding body fees, student related costs, property costs, utilities, digital, telephony insurance, marketing, VAT and professional fees.

Estates and digital are our highest expenditure areas. We continue to maximise savings and efficiencies through procurement as well as carry out detailed annual budget reviews with budget holders. We will assume sector specific annual inflation increases where appropriate. We will continue to review the possibility of closing underutilised buildings and consolidating activity. We will continue to identify any non-core business areas and assess their financial and/or opportunity cost.

We will develop three-year estates, equipment and digital replacement/investment plans. We will continue to encourage budget holders to be innovative when budget setting, so we do not stifle growth, creativity, learning and development.

Overall financial sustainability assumptions

We will assume that the financial landscape for colleges will remain difficult for the foreseeable future so we will continue to set a three-year rolling budget with scenario planning up to five years ahead. We will use this data to plan and monitor the potential budget position for future years to ensure we remain stable and in control of our future.

Cash management is a significant risk and without action our cash balances will continue to decline. In accordance with Charities guidance, we should set a target reserves level taking cognisance of our specific risks, income uncertainty and potential unforeseen operational commitments. We set a target year end balance of £450k or 1% of our expenditure budget.

The overall budget setting assumptions will be considered alongside our high-level principles which underpin our focused cost reductions and financial stability plans. They are set out at **Appendix A.** A summary of the budget assumptions is at **Appendix B.**

Dundee and Angus College Financial Strategy key actions

INCOME specific actions

1. Continue to seek clarity on detail of budget increase, credit target implications, potential flexibility and CDEL/RDEL switch decision. **DoF & Principal**
2. Continue to monitor and lobby SFC and Scottish Government on budget clarity **DoF & Principal**
3. Develop alternative infrastructure 'Plan B' **SLT**
4. Model credit target and SFC funding increase/reduction scenarios **DoF**
5. Model CDEL/RDEL switch and no switch impact **DoF**
6. Review scenario modelling, identify risks & mitigating actions and agree final draft budget submission to Finance and Infrastructure Committee/Board **SLT**
7. Develop an income model to include all sources of income, estimated student numbers and estimated fees. Use model to monitor in year position and develop future income scenarios. **DoF & Academic Directors**
8. Continue to identify and secure opportunities for additional and alternative funding that provides either an income or opportunity contribution to the College. **SLT**
9. Develop full hourly costing for non-core income and project/grant recharges for all staff roles and projections to include future years pay awards **DoF**
10. Identify all non-tuition income sources and review charges. Timetable and present annual fee decision report to Finance and Infrastructure Committee for approval **DoF**
11. Identify acceptable subsidy for catering outlets and review charges/costs for efficiencies and increased income **DoF & DoI**
12. Identify all income sources and review contribution e.g. ESP **DoF**

EXPENDITURE specific actions

1. Continue to offer Voluntary Severance Scheme **VPSSO**
2. Continue to monitor infrastructure usage and consolidate activity **HoE**
3. Develop three-year estates, equipment and digital replacement/investment plans **DoF & Directors**
4. We will continue to identify any non-core business areas and assess their financial and/or opportunity cost **SLT**
5. Continue to encourage innovation and development when setting budgets **SLT**

Overall financial sustainability actions

1. Continue to model potential scenarios to understand the impact on the short, medium and long-term budget and cash position. **DoF**
2. Where necessary we will consider and implement future savings plans. **SLT**
3. We will continue to avoid compulsory redundancy unless there is no alternative. We will continue to assess the necessity for retaining this option and will remove it as soon as possible. **SLT**
4. We will continue to engage with academic and support teams to identify opportunities for greater efficiency, income generation and reduced costs across the College. **SLT**
5. Despite the financial landscape, we will continue to be innovative, bold and ambitious, to create opportunity, build resilience and drive positive change for a better future for our students, staff and the College. **SLT**

06

Five-year budget forecast and scenario planning

Dundee and Angus College five-year baseline forecast

Budget - baseline including savings	Budget 2025/26 £000	Budget 2026/27 £000	Budget 2027/28 £000	Budget 2028/29 £000	Budget 2029/30 £000	Budget 2030/31 £000
Income						
Teaching Grant	(31,460)	(31,460)	(31,460)	(31,460)	(31,460)	(31,460)
Other SFC Grants	(1,328)	(1,134)	(1,134)	(1,134)	(1,134)	(1,134)
ESF and ESP funding	(356)	(366)	(366)	(366)	(366)	(366)
Capital grant	(2,654)	(2,654)	(2,654)	(2,654)	(2,654)	(2,654)
SFC Total income	**(35,798)**	**(35,614)**	**(35,614)**	**(35,614)**	**(35,614)**	**(35,614)**
Tuition Fees	(2,571)	(2,539)	(2,539)	(2,539)	(2,539)	(2,539)
Non core income	(3,928)	(1,729)	(1,656)	(1,656)	(1,656)	(1,656)
Catering & other income	(2,490)	(2,369)	(2,398)	(2,407)	(2,417)	(2,427)
Donation from ALF	(145)	(21)	0	0	0	0
Total income	**(44,932)**	**(42,273)**	**(42,207)**	**(42,217)**	**(42,227)**	**(42,237)**
Staff pay						
Staff pay	35,494	35,448	36,433	37,530	38,660	39,823
VS, unfunded pensions & apprenticeship le	855	855	855	855	855	855
Total pay	**36,350**	**36,303**	**37,288**	**38,385**	**39,515**	**40,678**
Non-staff costs						
Staff related costs	293	290	291	291	291	291
Consumables and equipment	1,817	1,475	1,512	1,512	1,512	1,512
Exam fees & student costs	957	1,039	1,039	1,039	1,039	1,039
Property cost	2,962	3,503	3,575	3,575	3,575	3,575
ICT and telephony	957	1,228	1,296	1,296	1,296	1,296
Website development	0	700	0	0	0	0
Professional fees, mktg, insurance, interest	1,715	932	930	930	930	930
Total non-staff costs	**8,701**	**9,167**	**8,641**	**8,641**	**8,641**	**8,641**
Total Income	(44,932)	(42,273)	(42,207)	(42,217)	(42,227)	(42,237)
Total Expenditure	45,051	45,469	45,930	47,026	48,156	49,319
Non-consolidated (surplus)/deficit	**119**	**3,197**	**3,722**	**4,809**	**5,929**	**7,083**
Gardyne Theatre Limited deficit	65	0	0	0	0	0
Loan repayment (Aug 2026, June 2027)	457	914	0	0	0	0
Overall (surplus)/deficit	**641**	**4,111**	**3,722**	**4,809**	**5,929**	**7,083**

Note – includes Autumn 2025 pay savings

Dundee and Angus College five-year baseline forecast, including budget uplift

Budget - including savings & additional funding	Revised Budget 2025/26 £000	Draft Budget 2026/27 £000	Indicative Budget 2027/28 £000	Indicative Budget 2028/29 £000	Indicative Budget 2029/30 £000	Indicative Budget 2030/31 £000
Teaching & other SFC Grant - 2025/26 baseline	(32,788)	(32,594)	(32,594)	(32,594)	(32,594)	(32,594)
Additional 2026/27 revenue funding (9.3%)	0	(3,031)	(3,031)	(3,031)	(3,031)	(3,031)
Total teaching grant	**(32,788)**	**(35,625)**	**(35,625)**	**(35,625)**	**(35,625)**	**(35,625)**
Capital grant - 2025/26 baseline	(2,654)	(2,654)	(2,654)	(2,654)	(2,654)	(2,654)
Additional 2026/27 capital funding (23.8%)	0	(632)	(632)	(632)	(632)	(632)
Total capital grant	**(2,654)**	**(3,286)**	**(3,286)**	**(3,286)**	**(3,286)**	**(3,286)**
ESF and ESP funding	(356)	(366)	(366)	(366)	(366)	(366)
SFC Total income	**(35,798)**	**(39,277)**	**(39,277)**	**(39,277)**	**(39,277)**	**(39,277)**
Tuition Fees	(2,571)	(2,539)	(2,539)	(2,539)	(2,539)	(2,539)
Non core income	(3,928)	(1,729)	(1,656)	(1,656)	(1,656)	(1,656)
Catering & other income	(2,490)	(2,369)	(2,398)	(2,407)	(2,417)	(2,427)
Donation from ALF	(145)	(21)	0	0	0	0
Total income	**(44,932)**	**(45,936)**	**(45,870)**	**(45,880)**	**(45,890)**	**(45,900)**
Staff pay						
Staff pay	35,494	35,448	36,433	37,530	38,660	39,823
VS, unfunded pensions & apprenticeship levy	855	855	855	855	855	855
Total pay	**36,350**	**36,303**	**37,288**	**38,385**	**39,515**	**40,678**
Non-staff costs						
Staff related costs	293	290	291	291	291	291
Consumables and equipment	1,817	1,475	1,512	1,512	1,512	1,512
Exam fees & student costs	957	1,039	1,039	1,039	1,039	1,039
Property cost	2,962	3,503	3,575	3,575	3,575	3,575
ICT and telephony	957	1,228	1,296	1,296	1,296	1,296
Website development	0	700	0	0	0	0
Professional fees, mktg, insurance, interest	1,715	932	930	930	930	930
Total non-staff costs	**8,701**	**9,167**	**8,641**	**8,641**	**8,641**	**8,641**
Total Income	(44,932)	(45,936)	(45,870)	(45,880)	(45,890)	(45,900)
Total Expenditure	45,051	45,469	45,930	47,026	48,156	49,319
Non-consolidated (surplus)/deficit	**119**	**(466)**	**59**	**1,146**	**2,266**	**3,420**
Gardyne Theatre Limited deficit	65	0	0	0	0	0
Loan repayment (Aug 2026, June 2027)	457	914	0	0	0	0
Overall (surplus)/deficit	**641**	**448**	**59**	**1,146**	**2,266**	**3,420**

Note – includes Autumn 2025 pay savings & budget uplift announced January 2026, based on DAC historic proportion of overall college budget

07

Timeline and conclusions

Annual Budget and financial governance timeline

December to April

- Draft budget for following academic year (yr 1) and indicative budgets year 2 & 3, after consultation with budget holders and using latest known course provision.
- Scenario plans considered for five years ahead and Financial Strategy updated.
- Finance and Infrastructure Committee review Financial Strategy in February.
- SFC indicative funding announcement March.
- SLT reviews budgets with a view to balancing three-year budgets based on indicative funding allocation.

May

- Draft budget for following academic year (yr 1) and indicative budgets for year 2 and 3 and cashflow forecasts considered by Finance and Infrastructure Committee.
- SFC final funding confirmation expected in May.

June

- Board approval of Draft Budget for following academic year and note indicative budgets for following two years.
- Financial Forecast Return submission by 30th June deadline.

September

- Financial Forecast Return reviewed by Finance and Infrastructure Committee.
- Variable staff in-year budget (year 1) reviewed for actual applications and course provision.
- Finance and Infrastructure Committee consider Financial Regulations annual review.

December

- Revised in-year budget presented to Finance and Infrastructure Committee including impact of actual student intake.
- Tuition Fee Policy consider Finance and Infrastructure Committee.

Financial risks and budget monitoring reports are considered by SLT each month and at each Finance and Infrastructure Committee meeting. They are presented for information to each meeting of our Board.

Conclusions

Dundee and Angus College continues to navigate a highly challenging and volatile financial landscape, characterised by flat cash funding, increasing cost pressures, sector-wide structural deficits, and tightening liquidity constraints. Despite these pressures, the College has taken proactive steps to stabilise its position, including savings programmes, scenario planning, and enhanced financial governance arrangements reviewed regularly by the Finance and Infrastructure Committee and Board.

This Financial Strategy sets out a clear framework for ensuring long-term sustainability over the period to 2030. It outlines the budget assumptions needed to support forward planning, identifies strategic financial risks across income, expenditure, our workforce, and estates, and establishes the principles that will guide future decisions on cost reduction, and income diversification.

The Strategy emphasises the importance of maintaining strong governance, managing cashflow prudently, and aligning financial decisions with the College's strategic priorities, including the Infrastructure Vision, curriculum development, and student experience enhancement.

Given the absence of mandated review frequencies in national guidance, this Strategy will be reviewed annually to ensure the College remains agile and responsive to changing circumstances. This approach reflects best practice and acknowledges the need for continual reassessment of financial risks, opportunities, funding announcements, and sector developments.

The College remains committed to being bold, innovative and forward-looking, ensuring that financial decisions support long-term sustainability while protecting high-quality learning opportunities, supporting staff and students, and contributing to the region's economic and social wellbeing. Through disciplined planning, strong governance, and a clear focus on long-term resilience, the College is well placed to manage the challenges ahead and continue delivering its vision.

Approved by:

Issue date:

Review period: Annual
Review Date: February 2027

Prepared by: Director of Finance
Executive Sponsor: Vice Principal Support Services and Operations

Principles underpinning focused cost reductions and financial sustainability planning

Appendix A

As we plan a way forward through the continuing financial challenges facing us, we are keen to continue to utilise a series of clear criteria as guiding principles to support and test proposals put forward and the decisions that we are making.

Criteria of this type have been discussed with our local trade unions and will continue to underpin decision making around both curriculum and support service changes impacting on the College.

In considering and developing future plans to support and underpin financial sustainability the following key criteria will be considered.

- Active engagement and involvement of staff, learners and relevant stakeholders is critical. Teams and team members should be actively engaged in regular discussions around the changes needed to create a successful and sustainable College.
- We will continue to provide access to education and training across the Dundee and Angus region, delivering a curriculum that provides clear progression pathways with multiple entry / exit points. Within this, courses will be consolidated to remove internal competition, reduce duplication and to prevent early specialisation with changes reflected in curriculum design. The creation of centres of excellence where practicable will be encouraged.
- Changes should recognise the needs of D&A learners and the needs of our wider community and economy. We will continue to build a sense of community, provide an inclusive curriculum, promote excellence in learning and teaching, delivering on our regional economic priorities and supporting vulnerable and under-represented learners.
- Efficiency of curriculum and service delivery will be critical, such as class sizes being optimised to ensure efficient delivery, good housekeeping maintained, course hours, use of resources, working patterns, engagement, income / contribution maximisation and outcomes managed.
- Developments should focus funding on the frontline learning, teaching, and services to support learners. Duplication of provision or services should be minimised (where this makes good educational or operational sense) and other activities streamlined where possible. Simplification and reduction of bureaucracy or other ‘non-contributing’ activities, and the streamlining and automation of processes, should always be a priority.
- Non-core activities and projects should make a clear contribution to the operation of the College curriculum / services and contribute to our financial sustainability. Where these outcomes cannot be clearly demonstrated then consideration must be given to the viability of these activities.
- Developments should generate genuine and sustainable cost savings and / or income (contribution) increases in the short, medium and / or long-term.
- Simplification of systems, arrangements and structures is essential, with this balanced alongside the need to support new opportunities and future investment.
- Current structures and working arrangements are not necessarily sustainable and are not as important as the financial sustainability needed to assure high quality learning opportunities and outcomes are maintained.

By creating and sharing these at the start of the process, we hope that staff will be able to use these to inform their own thinking, and to understand how any proposed changes or developments fit into a longer-term direction of travel.

SUMMARY Budget Setting Assumptions

Appendix B

Overall Financial Sustainability Budget Assumptions

- We continue to develop three-year budgets, with forecasting up to five years and record our budget assumptions for key income and expenditure areas detailing drivers, estimates and judgements that influence the budget set.
- Target year end balance of £450k or 1% of our expenditure budget.
- Use high-level principles to underpin cost reductions and financial stability plans. Appendix A.

INCOME BUDGET ASSUMPTIONS

- Our credit target remains consistent with 2025/26 credit target of 98,307 for the period of the Financial Strategy. The credit target includes a 2% tolerance threshold.
- The 10% SFC budget uplift (announced January 2026) includes academic and support pay awards, academic pension and National Insurances increases.
- The switch from capital (CDEL) to revenue (RDEL) funding is resolved for the period of the Financial strategy. (Model both scenarios).
- Flat cash SFC funding based on the 2026/27 award for the period of this Strategy.

- **Tuition fees** - Previous years' student numbers, withdrawals, other anticipated changes. Fees are 2026/27 agreed charges, risk/ impact of local University HN recruitment. Future volumes remain consistent with 2026/27 assumptions.
- **Managing Agent Fees** - Previous years student numbers, volume/ fee rate changes.
- **Non-core fee income -** Previous years student numbers, volume changes. Fees are 2026/27 charges. Stretch target to be considered.
- Continue to identify and secure opportunities for additional and alternative funding that provides either an income or opportunity contribution to the College.

EXPENDITURE BUDGET ASSUMPTIONS

- **Pay awards** - nationally agreed awards or Public Sector Pay Policy where awards not yet agreed, except 2026/27 - assume the academic increase is 4.14%
- We will continue to offer voluntary severance
- Job evaluation exercise costs will be fully funded by Scottish Government.
- **Academic pay** - Confirmed academic teaching weeks and planned courses/streams, revised in September for actual course take up. Sickness cover - previous years' data and current sickness % levels. Training hours - planned OD activity and previous years' take up data.
- **Support staff pay** – Established hours and known changes. Consider vacancy management % reduction.

Non-pay expenditure assumptions

- We continue to maximise savings and efficiencies through procurement
- Continue to carry out detailed annual budget reviews with budget holders.
- Use sector specific annual inflation increases where appropriate.
- Continue to review the possibility of closing underutilised buildings/consolidating activity.
- Continue to identify non-core business areas, assess their financial and/or opportunity cost.
- Infrastructure vision will be approved for the purpose of this Financial Strategy
- Develop three-year estates, equipment and digital replacement/investment plans.
- Continue to encourage budget holders to be innovative when budget setting, so we do not stifle growth, creativity, learning and development.

Agenda Item 8.0

FINANCE & INFRASTRUCTURE COMMITEE

Tuesday 24 February 2026

INFRASTRUCTURE

8 (i) Infrastructure Vision Update **PAPER E**

Board of Management
Finance & Infrastructure Committee

Tuesday 24 February 2026

New Campus Developments Project Update

Paper for information

1. Project and Business Case (OBC) Development

As anticipated in December 2025, the key components of D&A's outline business case (OBC) for the new campus development project have been delivered as follows:

- Project feasibility study led by Mclaughlin & Harvey (ML&H)
- Initial designs based on feasibility findings (Keppie Design, via ML&H)
- Employability operating model research (Allermuir Consulting)

These elements will be combined with the information already held from work with BDP and Biggar Economics to form the completed OBC.

The timeline for this completion has been amended following on-going discussions with the Scottish Funding Council and Scottish Government and related developments as follows.

National discussions look increasingly like funding for phase one of the development may be through capital funds. This would be dependent upon the appropriate funds being made available (on a multi-year basis) via SFC.

The availability of funds and timeline for submission of the OBC and (assuming approval at that point) completion of the Full Business Case (FBC) are subject to active discussion with SFC. The on-going approach from the College is that the OBC work needs to align with the anticipated funding timeline to avoid the OBC going 'out of date' whilst funding discussions progress.

This is a complex balancing act and the College has been encouraged to seek a 'letter of comfort' from the Scottish Government to give some assurance in respect of progressing the next steps and mitigating the risk to the £4.5 million UK Government Community Regeneration Partnership funds allocated in support of the Green Skills Hub development.

The College expects that receipt of a letter of comfort would support access to the £4.5 m funds alongside funding from SFC to underpin the creation of the OBC and FBC for phase one (Gardyne Green Skills Hub). This is, however, not yet fully clear or guaranteed hence the reticence to progress and commit funds until the arrangements and route to funding are more certain.

Following receipt of the feasibility work undertaken by ML&H, some rework of the space requirements and initial design development in respect of the proposed Green Skills Hub has been requested to better align this with initial College thinking.

This updated information is expected around the end of March and will be accommodated within the initial fees agreed with ML&H.

2. Funding

As noted in the previous update, the College (following the advice of the Scottish Government), commissioned a financial modelling analysis to support dialogue around the potential of utilising the Mutual Investment Model (MIM) of funding, along with the pros and cons of a range of methodologies.

Informal discussions have continued around the MIM and other revenue based funding models and the College was heartened to hear reference to out infrastructure vision and proposals mentioned in the Scottish Budget announcement on 13 January 2026. This encouraged further discussion with SFC and the Scottish Futures Trust (SFT) in respect of funding models with an indicative timeline of Autumn 2026 for progress (aligning with the SFC Infrastructure Development Strategy).

Engagement has continued with interested investors to update on progress and national discussions with Scottish Government.

As outlined above, there is a possibility for capital funding to be made available to support phase one of the project. If available this would be c.£50 million and most likely be phased on a multi-year basis.

As part of this approach, the College also proposes to progress a significant Tay Cities Deal capital bid to support the part funding. The letter of comfort outlined above would help to support a bid of this type.

The College is continuing to utilise the ALF funding to progress the project and continues to work with the Scottish Funding Council (SFC) on routes to securing appropriate funding to continue.

The support from SFC through their emergency capital funding (£100k) is in addition to the ALF funds and will allow the College to continue work for the remainder of the current academic session without impacting on normal funds.

Clarification has also been sought from SFC in respect of procurement for the required work through OBC and FBC stages and it is positive to note that the SCAPE framework approach adopted to date has been confirmed as a compliant procurement route for this work.

3. Project Director Role

As discussed in June 2025, the College has planned to appoint a specialist Director with relevant experience of large scale infrastructure projects to take forward the next steps of the work. It is felt that the time is right to progress with this appointment and the post is currently open for recruitment initially on a part-time (3 days per week) basis. This will be subject to review as project approval and funding arrangements progress. The specialist knowledge and input from Board members in developing this job role has been beneficial.

4. Kingsway Contingency Planning

As highlighted previously, work in on-going in respect of contingency planning for the Kingsway Campus should the campus vision work not progress or RAAC risks crystalise.

Given the passage of time since the initial three to five year timeframe was given, further work has been progressed to develop an alternative plan should exit be required from one or more campus facilities.

Now encompassing the full Kingsway Campus, this work would require decant into commercial facilities within the city and would require additional set up costs of c£2 million and recurrent funding of c£1.3 million to support the commissioning and operation of these alternative facilities.

The pressing timeline and indicative costs have been shared with SFC, who are aware that – should this risk crystalise- additional emergency funding support would be necessary to mitigate the impact. Details of these risks and costs have been shared with the Scottish Funding Council and Scottish Government.

This work is subject to quarterly review and the risk is highlighted to the Audit & Risk Committee.

5. Project Vision and Communication

It was positive to hear the public endorsement for the College infrastructure vision as part of the announcement and debate on the Scottish Budget on 13 January 2026. Of particular note was comment made by the Cabinet Secretary for Finance who described it as:

> "A fantastic project and very well led by local leadership in Dundee and Angus College".

This endorsement has generated significant new interest in the project and the College.

As part of the College wide Staff Development Day on 17 February, sessions were held with staff to update on the progress of the infrastructure vision and to engage staff in providing input and feedback on what any new campus should feel like for students, staff and visitors. This initial exercise will inform future developments and marks the start of staff engagement as the design process progresses.

A dedicated Board Development session is scheduled for 10 March 2026 to provide a more detailed update on the programme. This session will also create space for a broader strategic discussion on the Board's role, both in providing oversight and assurance, and in supporting the advocacy and stewardship of the programme as it progresses. The intention is to ensure members are fully sighted, confident in the direction of travel, and clear on their collective responsibilities as the project moves from the conceptual / feasibility stage toward the formal business case approval stages.

6. Next Steps

All of these steps outlined above are important in bringing the vision to a stage where full discussion with the Board will be required prior to sign off of the Outline Business Case (OBC) and in line with the governance arrangements approved at the June 2025 meeting.

7. Link to Strategic Risk Register

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

1.3 Difficulties or over commitment arising within large scale/national College led initiatives or projects

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

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

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

Agenda Item 8.0

FINANCE & INFRASTRUCTURE COMMITEE

Tuesday 24 February 2026

INFRASTRUCTURE

8 (ii) Estates Update

PAPER F

BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Tuesday 24 February 2026

Estates Update

Paper for noting

1. Introduction

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

2. Recommendations

Members are asked to note the report.

3. Capital Funding for Maintenance

The Estates team has continued to tackle the extensive list of projects that were identified for the Capital Funding for Maintenance grant for the period 1st April 2025 – 31st March 2026 which was is **£2,654,077.00**

The majority of the works that had been identified as part of the initial £750k allocation for Backlog Maintenance works and Infrastructure Improvement projects have now been completed, and all remaining projects will be completed by 31st March 2026.

The approved 2025/26 projects are detailed below along with their current status and final costs inclusive of VAT -

Estates Priority Backlog Maintenance Projects

Description	Campus	Actual VALUE (inc VAT)	Current Status
Boiler Plant Room Pump Replacement	Gardyne	£60,000	In progress
Science Annexe - OGR external entrance repair	Kingsway	£2,534	Complete
South Tower - external lift room fabric repair.	Kingsway	£2,500	Complete
External fence repaint	Kingsway	£5,760	Complete
CALC - window repair/replacement	Arbroath	£1,567	Complete
Nursery external fabric repair	Arbroath	£2,568	Complete
Tower lower ground internal refurbishment	Kingsway	£7,308	Complete
Sports Hall and Gyms 1, 2 and 3 LED lighting replacement	Gardyne	£20,476	Complete
Additional Classrooms creation CALC Library	Arbroath	£46,190	Complete
Additional Classrooms creation CALC Learning Hub	Arbroath	£41,679	Complete
Toilet refurbishment x 2 in Clova Building	Arbroath	£7,000	Not Started

Description	Campus	Actual VALUE (inc VAT)	Current Status
Creation of Animation studios on Level 3	Gardyne	£57,256	Complete
Relocate LACE to Enterprise Zone P&D - external signage	Arbroath	£6,623	Complete
Hardwire Testing	Gardyne + Arbroath	£30,000	In Progress
Electrical Distribution Board Upgrade - Tower Block - Phase 2	Kingsway	£20,000	Not Started
Lapsafe relocation CALC building	Arbroath	£8,713	Complete
Creation of storage - entrance area PE Block	Gardyne	£6,908	Complete
Removal of rooflights Sports Hall	Gardyne	£20,000	Not Started
Upgrade of Esk Classrooms x 12 - Carpets, Ceilings, Lights, P&D	Arbroath	£42,456	Complete
Tower toilet upgrade 6th, 5th, 4th and 3rd floors	Kingsway	£20,237	Complete
Road Resurfacing at Gardyne	Gardyne	£30,000	Deferred
CALC Building Heating and Controls modifications	Arbroath	£54,193	Complete
Furniture Procurement	All	£33,751	Complete
CCTV Upgrade	AC & KC	£50,000	Not Started
Painting and Decoration	Kingsway	£19,589	Complete
ICT Installations	All	£4,958	Complete
Pedestrian Walkway Line Markings	Gardyne	£1,530	Complete
Pedestrian Walkway Line Markings	Kingsway	£2,250	Complete
Motor Vehicle Workshop Decoration	Arbroath	£2,868	Complete
Motor Vehicle Concrete Repairs for Ramp	Kingsway	£1,577	Complete
Perimeter Fence Replacement	Gardyne	£16,500	Complete
MSIP Dilapidations	MSIP	£15,320	Complete
Decommission Swimming Pool	Gardyne	£7,000	In Progress
Chiller 1 Replacement	Gardyne	£46,000	In Progress
Chiller 2 Replacement	Gardyne	£42,000	In Progress
Outside Light Replacement	Arbroath	£255	Complete
Isla Building Window refurb	Arbroath	£4,622	Complete

Infrastructure Change Group Approved Projects

Description	Campus	Estimated VALUE (inc VAT)	Current Status
Barbering @Gardyne - Vinyl floor and cordless equipment	Gardyne	£7,916	Complete
Plumbing Workshop amended layout	Kingsway	£8,323	Complete
Gym 2 floor refurbishment	Gardyne	£5,000	Complete
Sports block corridor flooring replacement ground and 1st floor	Gardyne	£8,388	Complete
Dance studio 1 floor membrane replacement	Kingsway	£0	Cancelled

Description	Campus	Estimated VALUE (inc VAT)	Current Status
Hair and Beauty reception refurbishment	Arbroath	£4,914	Complete
Beauty Classrooms refurb - floors, ceilings lighting, P&D, additional sinks	Arbroath	£42,617	Complete
Replacement flooring A416 and A417 - minor P&D and furniture	Kingsway	£5,100	Complete
Art Display Area	Gardyne	£3,300	Complete
Soundproofing Student Services rooms	Kingsway	£0	Cancelled
Student Services refurb	Arbroath	£6,260	Complete
Reconfigure ICT Workroom	Gardyne	£0	Cancelled
Upgrade 326 in line with other E-sports areas	Gardyne	£0	Cancelled
Esports to Learning Lab	Gardyne	£552	Complete
Upgrade Layout of 252 - new power poles, new carpet, P&D	Gardyne	£0	Cancelled
Dance studio refurbishment	Gardyne	£20,000	Not started
Games Hall, Gyms 1,2 and 3 painting and corridors	Gardyne	£2,485	In progress
Sports Block Staff toilets and changing - P&D and flooring	Gardyne	£8,000	Not started
Space workroom and social space refurb	Kingsway	£3,574	Complete
Teaching Heat Pump Installation	Kingsway	£8,185	Complete
Painters Workshop Sink Installation	Arbroath	£4,500	Complete
Creation of Student Quiet Space	Arbroath	tbc	Complete
Creation of Contemplation Room	Gardyne	tbc	Complete
Engineering Corridor Replacement Carpet	Kingsway	£2,754	Complete

4. New Health and Social Care Facility -

There has been a slight delay to the start of this project while we awaited approval of our Planning and Building Warrant applications which have now been confirmed.

We now have contractors on site carrying out demolition works on existing structures as well as mechanical and electrical down takings. Enabling works have also commenced for additional drainage.

The £500k project funded via UK Levelling Up monies should now be completed by mid-April.

5. Scottish Funding Council Estates Infrastructure Baselining Exercise 2026

The Estates team have just commenced the Scottish Funding Council Estates Infrastructure Baselining Exercise 2026. This is primarily a review and update of the 2024 exercise which enabled the College to identify the extent of its Capital Backlog Maintenance requirements across our whole estate. You may recall that the College also commissioned a full condition survey of our 3 campuses carried out by Doig and Smith at the same time of the 2024 Baselining Exercise. This allowed us to record robust data and information aligned to the Baselining Exercise and also provide financial information relating to costs to bring our Estates and Building up to Condition B. These costs amounted to circa £70m.

The £70m backlog maintenance costs and significant RAAC issues at our Kingsway Campus are key drivers for our Estates Vision.

6. Infrastructure Projects 2026/27

The Infrastructure Group has opened up the process for Academic and Support teams to submit applications for projects during the period 1st April 2026 – 31st March 2027. Once the group has approved the list of projects we will share with the Finance and Infrastructure Committee.

7. Link to Strategic Risk Register

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

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

Author: Billy Grace, Head of Estates
Executive Sponsor: Steve Taylor, Vice Principal, Support Services and Operations

Agenda Item 9.0

FINANCE & INFRASTRUCTURE COMMITEE

Tuesday 24 February 2026

PROCUREMENT

9 (i) Procurement Update PAPER G

BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Procurement Update
Quarter 3 – February 2025 to April 2026

Paper for approval

1. Introduction

Section A - Contract Awards and Extensions **(For Noting)**
This section provides details on contracts that have surpassed £100k excluding VAT that were awarded between 1st January 2026 and 30th April 2026.

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. Recommendations

Members are asked to:

a) note the recently awarded contracts (Section A)
b) approve Non-Competitive Actions (Section B)
c) approve anticipated procurements not already included in the Annual Planned Procurement Report submitted to the Finance & Infrastructure Committee in September 2025 (Section C)
d) note other activity (Section D)

Authors: Mark Eardley, 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	**TCEP Mobile Unit**
Incumbent Suppliers	N/A
Estimated Contract Value	£110,000
Owner	Director of Curriculum and Partnerships
Route to Market	Framework – Mini Competition
Intended Contract Start Date	February 2026
Proposed Contract Period	12 months
Rationale	The contract was awarded to MAN Truck & Bus UK Ltd in December 2025 following a mini-competition exercise.

Contract name	**Azure Cloud Series**
Incumbent Suppliers	Phoenix Software Limited
Estimated Contract Value	£300,000
Owner	Director of Infrastructure
Route to Market	Framework – Direct Award
Intended Contract Start Date	December 2025
Proposed Contract Period	55 months
Rationale	The contract was awarded in December 2025 to allow for the existing discount to be extended. This is a direct award to the incumbent, top ranked framework supplier.

Contract name	**Heavy Duty Electric Vehicle Training Rig**
Incumbent Suppliers	N/A
Estimated Contract Value	£200,000
Owner	Energy Skills Partnership Manager (ESP)
Route to Market	Non-Competitive Action
Intended Contract Start Date	December 2025
Proposed Contract Period	12 Months
Rationale	The non-competitive action was previously approved by the Committee and awarded to Block Automotive Limited after market research confirmed that this is the only supplier that can meet the requirement.

Section B – Non-Competitive Actions

For Approval:

No non-competitive actions for approval.

Section C - Planned Contracting

For Approval:

Contract name	**Helpdesk Ticket Management & Asset Management**
Incumbent Suppliers	Freshworks UK Ltd
Estimated Contract Value	£165,000
Owner	Director of Infrastructure
Route to Market	Framework – Direct Award
Intended Contract Start Date	September 2026
Proposed Contract Period	60 Months
Rationale	Transition to a unified service management approach across all support departments within the College through adopting Unidesk, a cloud-based service management platform. Please note that the adoption of Unidesk is subject to funding approval. Should this not be possible, the Digital team will proceed with a renewal of the existing solution at a value of £150,000. The project owner is seeking approval for both options.

Section D – Other Procurement Activities

For Approval:

No other procurement activities for approval.

Agenda Item 10.0

FINANCE & INFRASTRUCTURE COMMITEE

Tuesday 24 February 2026

STRATEGIC RISK REGISTER — PAPER H

(i) Risk Register Cover Paper
(ii) Strategic Risk Register

BOARD OF MANAGEMENT
Finance and Infrastructure Committee
Tuesday 24 February 2026

Strategic Risk Register Update

Paper for approval

1. Allocation of Risks to Board Committees

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

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

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

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

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

2. Consideration of Risks to Board Committees

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

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

The draft March 2026 Strategic Risk Register is enclosed and it is noted that no changes have been made to the current risks allocated to the Finance and Infrastructure Committee.

4. Major Risks

Risk 2.2: As outlined within the agenda and papers considered, the risks surrounding the future financial sustainability of the College remain significant and focused savings plans are currently being progressed to support on-going sustainability.

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

DUNDEE AND ANGUS COLLEGE



STRATEGIC RISK REGISTER

2025 - 2026

As at March 2026

Post Holders					Score	Impact	Likelihood
	ELT	Executive Leadership Team	Prin	Principal			
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	DirSE	Director of Student Experience	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	Director of Finance	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS				TREATMENT	POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
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	• Robust strategic planning • Effective environmental scanning • Strong partnerships • Clear links between strategy and practice • Concerted demands for increased activity levels	4	1	4 ↔	• Robust monitoring via **OF&AM Framework** • 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	• Effective environmental scanning • Negotiation/influence at national level	4	2	8 ↔	• Review of changes and amendment of strategic direction/plans • Financial strategy sensitivities	Principal & Chair
1.3 Board	Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on: • Ability of the College to meet key regional strategies/objectives • Financial loss or unmanageable financial risk • Reputational loss	4	3	12	• 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 ↔	• 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

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

Post Holders						Score	Impact	Likelihood
	ELT	Executive Leadership Team	Prin	Principal		1	Routine	Remote
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment		2	Minor	Unlikely
	Board	Board of Management	DirSE	Director of Student Experience		2	Minor	Unlikely
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	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates		4	Major	Probable
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS: Risks	Impact	Likelihood	Score	TREATMENT: Mitigation Actions	Impact	Likelihood	Score	POST MITIGATION EVALUATION: Monitoring	Lead Responsibility
1 Strategic and Structural (cont)										
1.4 Board	College disadvantaged as a result of changes arising from major national educational body reviews: SFC, SQA, EdS	3	3	9	• Negotiation/influence at national level • Review of activities/ projects and response to new opportunities	3	1	3 ↔	• Robust monitoring via OA • Amendment of strategic direction/ plans • Rolling curriculum review	Principal
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	• 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	3	2	6 ↔	• 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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	POTENTIAL CONTRIBUTING FACTORS				TREATMENT	POST MITIGATION EVALUATION				
Risk Number & Committee	**Risks**	**Impact**	**Likelihood**	**Score**	**Mitigation Actions**	**Impact**	**Likelihood**	**Score**	**Monitoring**	**Responsibility**
2 Financial										
2.1 **F&I**	Change in Funding Body and/or Funding Methodology and Allocation – Reduction or restriction in Funding	3	4	12	• Negotiation/influence at national level • Contingency plans for amended funding levels or requirements	3	2	8 ↔	• 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&I**	Failure to achieve institutional sustainability	5	4	20	• 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 ↔	• 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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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS				TREATMENT	POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
2 Financial (cont)										
2.3 **F&I**	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	16	• Influence within Employers Association • Management of staffing expenditures	4	3	12 ↔	• Expenditure modelling • On-going discussions with staff • Financial strategy sensitivities • Workforce planning	VPSO
2.4 **A&R**	Financial Fraud	3	3	9	• Strong financial controls: segregation of duties and review of transactions. • Review of impact of any changes in structure or duties • Whistleblowing arrangements	2	2	4 ↔	• Continuous review of financial controls • Internal Audit programme	VPSO
2.5 **F&I**	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	• On-going dialogue with Foundation Trustees • Appropriate bid arrangements in place	3	2	6 ↔	• Monitor and advise Board of Management	Prin & VPSO
2.6 **F&I**	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	4	4	16	• Multi-year estates strategy and capital planning • Lobbying of SFC on capital and backlog maintenance funding • Planning for D&A Foundation bids	4	3	12 ↔	• Monitoring of capital plans and expenditures • Regular review of capital plans/timescales relative to funds	VPSO

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS: Risks	Impact	Likelihood	Score	TREATMENT: Mitigation Actions	POST MITIGATION EVALUATION: Impact	Likelihood	Score	Monitoring	Lead Responsibility
2 Financial (cont)										
2.7 F&P	Failure to reach aspirational standards in financial strategy, budgeting, planning or audit	4	3	12	• Clear financial strategy aligning to College priorities and FFR • Zero based budgeting in place • Regular, timeous and accurate budget monitoring • Effective audit planning and completion	3	2	6 ↔	• Regular review of financial priorities to align / realign with available funds • Comprehensive monitoring and reporting of all finances • 'Real time' budget and data analysis underpins decision making • Effective audit planning and completion	VPSO DirFin

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Post Holders					Score	Impact	Likelihood
	ELT	Executive Leadership Team	Prin	Principal			
	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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	POTENTIAL CONTRIBUTING FACTORS				TREATMENT	POST MITIGATION EVALUATION				
Risk Number & Committee	**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	• Clear quality arrangements and priority actions • Continuous self-evaluation and action planning • Rigorous CPD arrangements in place • Regular classroom observation and learner feedback arrangements	2	2	4 ↔	• 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	• 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 ↔	• 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	4	16	• Adherence to legislative and good practice requirements • Positive Union relations and staff communication • Effective management development programmes	3	2	6 ↔	• 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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3 People and Performance (cont.)										
3.4 P,C&W	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	4	4	16 12	• 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 ↔	• 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	2	8	• Marketing strategy • Reputation plan • Positive marketing approaches	3	2	6 ↔	• Stakeholder engagement • Social media monitoring arrangements	VPCP, DirC&A
3.6 P,C&W	National bargaining outcomes impact adversely on College operations, activity, and flexibility	4	4	16	• Influence within Employers Association • Management of bargaining outcomes and implementation	4	3	12 ↔	• 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 **P,C&W**	Industrial Relations Problems (including industrial action)	4	5	20	• Adherence to legislative and good practice requirements • Positive Union relations and staff communication • Effective management development programmes • Industrial action continuity planning	4	2	8 ↔	• Regular union/management dialogue • Regular employee engagement monitoring • Open communication with staff • Industrial action continuity planning	VPSO
3.8 **A&R**	Significant Breach of data security / data protection	5	4	20	• Effective management of GDPR compliance • Mandatory staff CPD and awareness raising on data protection (relative to role)	4	2	8 ↔	• 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 **P,C&W**	Failure to meet Prevent and related obligations	5	3	15	• Prevent training • Staff awareness and contingency planning • Engagement/practice sharing with local agencies	5	1	5 ↔	• Business Continuity Plan including scenario testing • Information sharing with local agencies	VPCP, VPSO

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3 People and Performance (cont.)										
3.10 **P,C&W**	College arrangements do not minimise risk associated with Modern Slavery	4	2	8	• Clear and compliant procurement arrangements and procedures • Staff identity checking arrangements and use of PVG.	3	1	3 ↔	• 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	3	15	• 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 ↔	• Pandemic readiness / response included in business continuity plan reviews and testing • COVID/Pandemic Response Group in place • Active monitoring and rapid adoption of pandemic guidance / control measures	Principal

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3 People and Performance (cont.)										
3.12 P,C&W	Failure to attract, engage, retain or develop appropriately qualified staff.	4	3	12	• 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 ↔	• 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	3	15	• Sound systems of administration • Clear fire and disaster recovery arrangements • Staff CPD	5	1	5 ↔	• Business Continuity Plan including scenario testing	Principal, VPSO, DirInf
4.2 **F&I**	Failure to achieve ambitions of Digital strategy; strategy and development is ineffective	4	3	12	• Planning, careful phasing of changes to processes and systems • Effective management of ICT arrangements • Clear investment plan	3	2	6 ↔	• 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	• Effective management of ICT arrangements • Active ICT/data security monitoring and cyber security policy	4	2	8 ↔	• 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	• Effective infrastructure and systems design and implementation • Effective management of ICT arrangements and GDPR compliance	4	2	8 ↔	• 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 (cont)										
4.5 **F&I**	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	5	20	• 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	4	4	16 ↔	• Lobbying of SG, SFC and UK Gov on campus vision and needs • Prioritisation of capital plans and expenditures • Regular review of capital plans/timescales relative to funds	Principal VPSO

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Agenda Item 11.0

FINANCE & INFRASTRUCTURE COMMITEE

Tuesday 24 February 2026

SUPPORT SERVICES REPORT PAPER I

BOARD OF MANAGEMENT

Finance & Infrastructure Committee

Tuesday 24 February 2026

Support Services Report

Paper for noting

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 and Horizon Scanning Update – Nicky Anderson

The SFC announced the following in respect of financial and funding requirements since 1 December 2025.

Publication	Topic	Allocation £000
SFC/ST/01/2026	College Statistics 2024/25 This report provides context and methodological information pertaining to the College Statistics 2024-25 publication and background tables.	N/A

4. Supporting our Learners – Leann Crichton

Demand for places on January-start courses was very strong and the recruitment target of 205 students was achieved. However, over 200 applicants were unable to secure a place due to the reduction in course portfolio following the recent savings exercise.

Over 3,000 applications have been received for the Session 2026-27 since applications opened in mid-January. This is significantly higher than in previous years. Early feedback from schools and Skills Development Scotland (SDS) Careers Advisors indicates that opening applications in January aligns well with school guidance and career support activities and complements the timing of our Open Day, which was held on Saturday 17 January 2026.

The Open Day achieved record engagement with over 620 attendees and was supported by a comprehensive promotional campaign that included paid and organic social media activity, a presence at the Overgate Shopping Centre, and poster distribution across Dundee and Angus. Information was also shared by Academic Partnerships Team to school contacts, Dundee City Council and Chamber of Commerce "What's On" listings.

A new feature this year was the **ASN friendly session**, designed to create a calm and accessible environment. Adjustments included quiet spaces, no music, no direct approaches from staff, and removal of sensory triggers. Approximately 80 attendees participated, and staff and partners received clear guidance in advance to ensure supportive interactions.

The Open Day was supported by all academic teams, frontline support teams, the Student Association including 15 student volunteers and community partners. Digital engagement was strong, with 986 webpage views from 692 users, 63,146 impressions from the paid social campaign, and 33,094 organic social media reach. Additional highlights included the launch of the new prospectus and strong footfall in the student run café and Thrive shop.

Feedback was highly positive. Skills Development Scotland reported: *"The open day was a huge success! I don't think we've ever been so busy on a stand."*

Semester 2 is now underway for all students, with RE-Freshers and Respect events held at each campus. Over the coming months, the LACE team will be working with our DYW partners to deliver employability awareness workshops and skills-enhancement sessions, alongside 8 jobs fairs where a range of employers and partners will showcase the opportunities available.

The Student Funding team has made significant progress, working with the Digital team to develop the new student funding management system. The system is now in its final testing phase, and the Students' Association will be supporting students to complete the final testing of the application and documentation requirements process

5. Business Partnerships – Ann Marie Macaskill

Tay Cities SME Skills (D&A Delivery Income)

Year 6 – Quarter 2 (1 July – 30 September)

- **SME Applications Approved:** 16
- **Funded Training Approved:** £75,904

Breakdown of Approvals:

- **Angus:** 1 business | £5,000 | 3 courses | 45 delegates
- **Dundee:** 7 businesses | £32,659 | 18 courses | 136 delegates
- **Perth:** 7 businesses | £33,350 | 37 courses | 376 delegates
- **Fife:** 1 business | £4,895 | 3 courses | 30 delegates

Year 6 to Date (as of 25/11/2025)

- **SMEs Supported:** 53
- **Funded Training Approved:** £251,116

Breakdown of Approvals:

- **Angus:** 13 businesses | £60,433 | 27 courses | 196 delegates
- **Dundee:** 14 businesses | £67,659 | 35 courses | 247 delegates
- **Perth:** 15 businesses | £63,085 | 64 courses | 503 delegates
- **Fife:** 12 businesses | £59,939 | 44 courses | 287 delegates

Two winter marketing events are scheduled to promote the Tay Cities SME Skills Fund:

- **26 November 2025:** *"Winter Warmer"* event in partnership with UHI Perth
- **4 December 2025:** Lunch event in Montrose

In addition, four weekly drop-in sessions have been trialled at the Michelin Scotland Innovation Hub, generating a number of new leads.



Additional Income

UKSPF – Dundee City Council - Green Skills Fund

Green Skills
In late August 2025, D&A College were awarded £100,000 from Dundee City Council to support the delivery of Green Skills training. This funding fully covers energy-efficiency and electric-vehicle training for businesses across Dundee, split 90/10 between support for businesses, and an allocation towards staff resource costs.

The fund launched in September 2025, with £90,000 of support specifically for Dundee businesses, with resources allocated based on demand. This includes the reallocation of External Wall Insulation (EWI) SVQ funding following a change request to Dundee City Council owing to lack of current demand for that course.

Priority training areas include:

- Staff upskilling in green technologies
- Plumbing
- Joinery
- Plastering
- Bricklaying
- Automotive (mechanics)

Training Delivered and Upcoming

- **Solar Thermal Hot Water**
  - 7 individuals trained
  - No further spaces available; additional requests for Solar PV instead of Solar Thermal

- **Heat Pump Systems**
  - 3 individuals trained
  - 17 scheduled for upcoming dates
  - Additional course being arranged

- **EV ChargePoint Installation**
  - 3 individuals trained
  - 4 scheduled for future dates

- **Electric Vehicles (Level 2/3 combined)**
  - 10 individuals trained
  - 5 scheduled for future dates

- **Retrofit (3-day course)**
  - 12 individuals trained
  - 3 scheduled for future dates

- **External Wall Insulation (EWI) SVQ**
  - No current demand owing to non-mandatory status; change request made to Dundee City Council successfully, for resources reallocated to more popular courses

UKSPF – Dundee City Council - SME Skills Dundee Fund
An award of £100,000 was allocated to D&A College in early September 2025, with a 90/10 split between business allocation and staff resource.

Delivery of the fund is well underway, with over half of the allocation already committed. The fund remains on track, and current demand is exceeding the original allocation. This is being managed through consideration of other funding streams, such as the Tay Cities SME Skills Fund, and by appropriately distributing training needs between available funds and commercial activity.

UKSPF – Angus Council - SME Angus Business Skills Fund
An award of £100,000 was allocated to D&A College in early September 2025, with a 90/10 split between business allocation and staff resource.

Delivery of the fund is progressing well, with over a third of the allocation already committed. The fund remains on track, and several marketing activities are underway to promote it to the local business community in partnership with Business Gateway and Skills Development Scotland. To ensure strong representation from small businesses, promotional materials have been circulated through Federation of Small Businesses (FSB) and Business Networking International (BNI) mailing lists, as well as featured in Dundee & Angus Chamber of Commerce (DACC) mailshots.

The team has also focused on close collaboration with Angus Council's Economic Development team, maintained a presence within Business Gateway offices in Angus, and distributed promotional leaflets at local industrial parks to increase visibility.

Marketing Activity
Significant progress is being made following an away day and guidance from a local communications company. This has helped to reframe and refocus the work of D&A Business, streamline our offer, and ensure our messaging is clear and accessible to businesses of all sizes. Work is now underway to update the website in line with this refreshed approach. In addition, a supporting leaflet - covering all short course information - is being developed based on client demand.

6. Bad Debt – Nicky Anderson

Our financial regulations require Finance and Infrastructure Committee to approve and individual irrecoverable debts exceeding £3,000.

No individual debts over £3,000 were required to be written off during the period 1 November 2025 to 31 January 2026.

7. 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

Authors:
Leann Crichton, Director of Student Experience
Ann Marie Macaskill, Business Partnerships Manager
Nicky Anderson, Director of Finance
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