



REGIONAL BOARD

27 June 2024

Strategic Plan Development Cycle

1.0 PURPOSE OF PAPER

For discussion

- 1.1 This paper has been prepared to update the Board on the planned timetable for creation of the College's Strategic Plan for the period 2025-2030.
- 1.2 This paper is intended for discussion and feedback to management.

2.0 EXECUTIVE SUMMARY

- 2.1 The College is due to renew its Strategic Plan for the period following 2025.
- 2.2 This paper sets out the stages that management intend to undertake in enabling the Board to approve a new Strategic Plan for the period 2025-2030.

3.0 RECOMMENDATION(S)/ACTION(S) REQUIRED

- 3.1 I recommend that the Board discuss the planned timetable for the creation of a new Strategic Plan and feedback to management any suggestions or concerns.

4.0 BACKGROUND

- 4.1 The College's current "Strategic Ambition" covers the period 2020-2025. This is a high level document, setting out the College's values, behaviours, ambition and objectives, and how we will measure progress in achieving them. It is set against a strategic context of internal aspirations and external drivers.
- 4.2 The College is expected to have such a document to give assurance to funders, regulators and stakeholders that our mission aligns with government policy and regional need.
- 4.3 While there is great uncertainty around the future of the college sector in Scotland, it is important that we set our own objectives and success measures so that we can respond to those challenges in a structured, meaningful way.

5.0 DEVELOPMENT CYCLE

- 5.1 The proposed development schedule is shown at **Appendix A**. This builds on work already done to understand the values and behaviours that matter to our staff. It will also ensure we engage with our students and other stakeholders so that the Plan will articulate what we will deliver in response to their needs.
- 5.2 Following the Board's Development session in April 2024, management created a "Statement of Strategic Intent", setting out the external challenges the College faces, and how we intend to respond to them. The themes included within these should form key elements of the individual supporting strategies that will support the overall Strategic Plan. The Statement of Strategic Intent is included as **Appendix B**.
 - 5.2.1 The process will include consultation with students, staff, employers and other stakeholders. The overall context will draw on national policy and regional skills requirements.
- 5.3 Importantly, our values and behaviours will draw on how our people feel about the College and this should support delivery of our objectives, .

6.0 IMPLICATIONS AND CONSIDERATIONS

6.1 Financial Implications

- 6.1.1 No direct implications.

6.2 Learner Implications

- 6.2.1 Learners are at the heart of what we do. While we don't necessarily expect learners to read our Strategic Plan, it is important that it reflects their views and how we will respond to their expectations so that we focus our resources to deliver for them.

6.3 Staff Implications

- 6.3.1 It is equally important that we are able to clearly articulate why we are undertaking courses of action and that our staff are engaged in both creating and delivering on the Plan.

6.4 Equality and Diversity Implications/Equality Impact Assessment

- 6.4.1 The Plan will reflect our ambitions with regard to equalities, diversity and inclusion and will act as another driver in achieving these.

6.5 Sustainability/Environmental Implications

- 6.5.1 The Plan will reflect our ambitions with regard to sustainability and will act as another driver in achieving these.

7.0 RISK COMMENTARY

- 7.1 If we do not publish a new Strategic Plan, we risk losing focus on what the College must achieve over the coming years. We also risk reputational damage if we do not engage with our stakeholders..

8.0 CONCLUSION

- 8.1 The Strategic Planning Cycle will enable the College to give due consideration to external and internal drivers, with appropriate levels of consultation with staff, students and stakeholders, to enable us to agree a new Strategic Plan for the period 2025-2030.

P D Smith

Principal & CEO

07 June 2024

Previous Board or College Committee Approvals:

N/A

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Borders College Strategic Plan Development Cycle

Appendix A

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BORDERS COLLEGE

Statement of Strategic Intent 2024-26

BACKGROUND

This document has been prepared in response to the unprecedented challenges being faced by Borders College. It sets out the key strategic drivers and the College's proposed response to them. The content of the paper has been informed by data on regional skills requirements, our own market intelligence and evidence of unmet demand, current and anticipated pressures on our financial and other resources, national policies on economic transformation, and intelligence gained from partnership work across the Region with local authorities, tertiary education providers, public agencies, and private sector employers. These issues were considered by the Regional Board at its development session held on 25 April 2024.

STRATEGIC DRIVERS

Regional Skills Requirements

The College's primary strategic driver remains ensuring that we meet the skills needs of our Region. Published by Skills Development Scotland in October 2023, the most recent Regional Skills Assessment for the Scottish Borders continues to demonstrate increased levels of new and replacement employment and skills requirements, across both traditional and emerging industries.

The past three years have seen extremely strong demand for courses at Borders College, both in terms of student applications and enrolments, but also in terms of demand for skills interventions from employers.

The overall delivery capacity of the College, in terms of space, level of student activity and the attached financial resource allocated by the Scottish Funding Council means that the numbers range and academic levels of programmes have always been limited. A relatively dispersed population means that it is difficult to create a viable cohort for lower-demand subject areas. Adding to this the limited availability of HE programmes in the Scottish Borders – both from Borders College and other tertiary providers – means that a proportion of prospective students will always move outwith the Region to pursue their chosen specialisms. Notwithstanding these restricting factors, the College designs the breadth and levels of its curriculum to attract and retain a skilled workforce for the Borders.

Estates Pressures

The College estate covers four campuses, at Galashiels, Hawick, Newtown St Boswells, and Tweedbank. While the former two are well-maintained and generally fit-for-purpose, Newtown St. Boswells is of generally poorer quality, with restricted space and inadequate student welfare, support, and social space. As the College's landbased and rural centre, it does not actually have direct access to sufficient agricultural land and what it does have, is leased on a short-term basis only. The Tweedbank facility, housing some of the College's construction trades, is a leased property of inadequate standard with almost no student welfare and social provision and no direct access to student support.

The Scottish Borders Campus in Galashiels is currently shared with Heriot-Watt University, under an agreement in place since 2009. That agreement ends in 2026 and the University have indicated they will not renew the agreement or any of the shared services currently purchased.

While creating financial challenges for the College, the decision by Heriot-Watt University to retract from shared space and services also presents opportunities for efficiency in our estates planning. This will see the return of 4,400 m² space previously occupied solely by the University.

Financial Pressures

The further education sector in Scotland is facing unprecedented financial pressure. This has been highlighted in the most recent Audit Scotland report (2023), with a real-terms terms 8.5% funding reduction over the previous 3 years and follows several years of “flat-cash” budget settlements, with no support for annual pay awards or other inflationary pressures. As with almost every college in Scotland, Borders College faces the potential of an increasing financial deficit in the years from 2024-25 onwards, an unsustainable position.

Over the years, the College has responded to financial pressures by delivering business efficiencies, generating income from non-SFC sources and, where necessary, reducing its cost base, the majority of this in staff. This is becoming increasingly difficult. With around 75% of its expenditure being staff costs and the majority of the remaining costs being the largely fixed costs of estates, the College has little further scope to cut costs without cutting courses and student places. Additionally, with the funding challenges across the whole public sector, other previously-available funding streams have also been reduced or eliminated.

STRATEGIC INTENT

Foremost in our response is the principle of retaining our ***Strategic Integrity***. This means we will continue to shape our offer around the needs of Borders students and businesses. We will shape our delivery and professional services in such a way as to provide effective and efficient services.

Curriculum Planning and Delivery

Borders College has always delivered a broad-based general full-time FE and HE curriculum, together with a range of specialist courses designed to meet the needs of our Region. Our intent is to continue this as far as possible. We must keep every current programme under review and consider new programmes, taking into account regional need, learning pathways and progression, cost-effectiveness, and risk.

In addition to our full-time programmes, a significant part of our delivery portfolio supports upskilling and re-skilling for employers in our Region, with over 80% of our enrolments being for part-time study.

We have aligned our current curriculum structures to employment trends within the region and it remains imperative we remain a responsive institution to the needs of employers both within our Region and to support emerging industries in the wider economy.

Estates and Infrastructure

We will seek to consolidate our estates to minimise our footprint, while ensuring we meet the requirements of our business. We will not renew the lease for Tweedbank in February 2027, moving provision to Scottish Borders Campus. We must also consider the relocation of our provision currently based at Hawick, to Scottish Borders campus. We will explore options to sell or let out the Hawick building.

The current scoping work being undertaken by Oberlanders will inform us as to the preferred solution for a landbased campus and this will also likely result in the transfer of some activity from Newtown St. Boswells to Galashiels, providing an enhanced student experience.

Financial Sustainability

Underpinning our curriculum delivery and infrastructure planning, we must set an achievable, sustainable, financial plan. The College accepts that this may mean setting and delivering a deficit budget in the short term, but that we must take such actions so as to ensure our long-term sustainability.

DELIVERY PLAN – REDESIGNING OUR BUSINESS MODEL

To deliver on this Strategic Intent, we will initiate a number of workstreams, with underpinning specific actions, designed to set a sustainable operating model by 2026-27.

Curriculum Planning and Design

The College will continue to review our programmes of learning, to ensure they meet the needs of the Borders economy, and are delivered in the most appropriate, efficient, and effective manner available. We will also: -

- Engage with the Scottish Funding Council to build the case for increased student activity in our Region;
- Engage with other institutions to broaden and enrich learning pathways, progression opportunities and partnership delivery;
- Engage with employers to supplement the data in Regional Skills Assessments and better-inform our decision-making;
- Work with partners across the South of Scotland and Edinburgh and the South East of Scotland to develop robust regional skills planning and delivery propositions, and implementing those propositions as appropriate;
- Develop additional commercial programmes to supplement our government-funded activity;
- Engage with Scottish Borders Council to enhance pathways & choices for young people leaving school and enabling them to remain within the Region;
- Enhance measures to review our offer to ensure it is relevant and future-focused;
- Continue to enhance our Student Support Services to provide support to those who require additional help to succeed; and
- Continue to support our Borders College Students Association in ensuring our students engage in the design of our current and future curriculum and estates.

Estates and Infrastructure Planning

The College will approve new Estates and Digital Strategies with a focus on consolidation and efficiency. While there will be some longer-term plans necessary for our landbased provision, in this period, we will: -

- Create a new space plan for Scottish Borders Campus;
- Implement an IT network refresh to ensure our facilities remain fit-for-purpose;
- Plan for and move our current provision from Tweedbank to Galashiels;
- Consider an options appraisal for Hawick Campus and implement any resultant moves;
- Agree appropriate marketing for lease and/or sale of surplus property and implement as timescales allow;
- Plan for and implement exit programmes from our shared facilities and services contracts at Scottish Borders Campus; and
- Develop additional commercial opportunities for our estates.

Financial Planning

We will consider a range of scenarios, incorporating both static and growth activity, with efficiencies delivered across delivery and professional services. We will: -

- Review our business processes to deliver increased efficiency;
- Seek to maximise opportunities from non-governmental funding;
- Minimise fixed costs of our estates and infrastructure; and
- Reduce non-essential expenditure across all of our functions.

We will also engage with SFC to identify and agree a sustainable level of funding for our Region.

Workforce Planning

Several of our actions will have inevitable consequences for workforce planning: -

- The withdrawal of Heriot-Watt University from our shared services will necessitate a re-shaping of those services to be implemented by October 2026;
- Any further reductions in SFC-funded activity will also likely result in reduction of staff; and
- Reviews of our business processes may also drive reductions in our staff complement.

Our starting premise is actually that we need an increase in activity levels for this Region and that this will require an increased level of staff. We will always seek to avoid reductions by compulsory means and will undertake appropriate consultations in accordance with our local agreements and statutory requirements.

IMPLEMENTATION

A programme of works will be created, with targets, milestones, and responsibilities clearly identified. This will be reported to the Regional Board via its Committee structure and progress communicated with our wider staff group, and other stakeholders as required.

BORDERS COLLEGE EXECUTIVE TEAM
May 2024