



EDINBURGH COLLEGE BOARD OF MANAGEMENT

MINUTES OF MEETING OF 08 DECEMBER 2015

14:00 Boardroom, Milton Road Campus

Present: Colin Arthur; Jenni Behan; Kellie Bradford; Annette Bruton; Sandra Cairncross; Jan Cutting; Fiona Riddoch; Alan Johnston; Elaine Lee; Ian McKay (Chair); Niki McKenzie; Nigel Paul; Robin Stimpson; Jeroen Van Herk; Ian Young

In attendance: Penny Davis; Hugh Harvie (KPMG); Sarah-Jane Linton; Ray McCowan; Pauline MacPherson; Marcus Walker (Clerk); Alan Williamson; Craig Wilson

1. WELCOME AND APOLOGIES

- 1.1 No apologies were received.
- 1.2 The Chair welcomed Fiona Riddoch, a newly appointed Non-Executive Member, to her first Board meeting.
- 1.3 The Chair welcomed the College's External Auditor, Hugh Harvie (KPMG), to the Board meeting.

2. DECLARATIONS OF INTEREST

- 2.1 Sandra Cairncross declared an interest in Item 5.1.3, with reference to the Capital & Infrastructure Report, in relation to her role as Vice Principal (Student Experience) at Edinburgh Napier University.
- 2.2 Nigel Paul declared an interest in Item 5.4.1, with reference to Community Planning Partnerships, in relation to his role as Chair of East Lothian Sustainable Economy Partnership.
- 2.3 Ian Young and Jan Cutting declared an interest in Item 10, as members of the Edinburgh College Development Trust.

3. MINUTES OF PREVIOUS MEETING

- 3.1 The Board APPROVED the Minutes from 22 November 2015 as an accurate record of the meeting.

4. MATTERS ARISING

4.1 Actions from the previous meeting were complete, overtaken or on the agenda.

5. COMMITTEE REPORTS

5.1 POLICY & RESOURCES COMMITTEE

5.1.1 *Paragraph 5.1.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*

5.1.2 BUSINESS TRANSFORMATION PLAN

The Board NOTED a report from the Principal on the latest position of curriculum and credit targets, and the establishment of a Business Transformation Plan.

The Board NOTED the challenges faced by the Scottish further education sector, and an overview of the new initiatives and policies set out over recent years. The Principal informed the Board that in addition to regionalisation and merger, there had been a reduction in FE sector funding of 12.3% (in real terms) between 2011/12 and 2013/14. The Board NOTED the College's current financial position and the considerable efforts undertaken to address a breakeven position in the academic year.

The Board NOTED the current position on credits, targets and financial implication of the shortfalls in student numbers. The Principal informed the Board that in light of the difficulties recruiting the number of students required to meet activity targets since merger, the College must re-base itself to a level of activity to reflect 'real' demand. From this position the College could then begin to grow areas where it had previously failed to satisfy demand, and where there remained existing unmet demand within popular courses.

The Board NOTED a letter submitted to the Chief Executive of the SFC proposing a reduced credits target for 2015/16 of 188,258, and a subsequent letter in response supporting such an action. The Principal confirmed that a meeting had taken place with the SFC on the morning of 08 December, where it was acknowledged that the College and the Funding Council must continue to work directly with one another.

The Board NOTED a list of inter-related matters, outlined by the Principal, which had been established as needing immediate and long-term action, along with an overview of work carried out by senior management to address these matters. The Principal proposed a Business Transformation Plan, to build on the work that had already been achieved, in order to establish a new model to enable the College to consolidate its offer at a realistic level and from there develop a strategy for sustainable growth in line with regional needs. The Board NOTED the proposed actions, which would form the strategic objectives of the Transformation Plan, including a new three year financial recovery strategy to address the deficit and set out a balanced budget for that period.

The Board DISCUSSED the following matters relating to the Business Transformation Plan:

- (i) The need to work directly with the SFC to reshape the College in a positive manner;
- (ii) the issue of 'additionality' and the impact of SFC rule changes on the college sector;
- (iii) the impact of decreased student recruitment and low class sizes on the College going forward;
- (iv) the presentation of student enrolment data, and the communication of such information to staff;
- (v) the secondment of two associate principals to the Executive to focus on student recruitment and curriculum development;
- (vi) the important role of leadership and culture within the College, to support organisational change;
- (vii) the important role of students, staff and trade unions in the planning process;
- (viii) the need to progress the good work already achieved through the Development Plan, utilising the extra capacity provided by the new Head of Performance & Planning.

The Board APPROVED the Business Transformation Plan proposal put forward by the Principal. The Board AGREED that a Business Transformation Plan Working Group would be created to work directly with the SFC, in order to progress key points outlined within the Plan. The Board AGREED that the Working Group would report to the Board through the Policy & Resources Committee, and that the Committee would finalise suitable governance arrangements for the Working Group.

The Board NOTED that the Business Transformation Plan paper received by members would be circulated to all staff directly, and briefing meetings would take place with trade unions on 09 December. Further to this, the Principal informed the Board that a range of briefing meetings, with various stakeholders and the press, would take place before the New Year.

On behalf of the Board, the Chair hoped that students, staff and trade unions would engage positively with the Plan, in order for the College to overcome the central issues it had faced since merger.

5.1.3 MINUTES 26.11.15

The Board NOTED the Policy & Resources Committee minutes from the meeting held on 26 November. The Vice Chair informed the Board that 62 of the 76 Development Plan milestones were complete, and that the Committee had considered it appropriate to recalibrate the Plan to progress the remaining 14 items. The Chair confirmed that outstanding items would now be considered within the wider Business Transformation Plan.

The Board NOTED that the Committee had received an update on HR matters, and the ongoing Job Evaluation appeals process which would continue into February 2016.

The Board NOTED that in accordance with stage 2 dispute procedures relating to the College's mobility policy, members of the Board would be asked to hear the dispute. The Board AGREED that the Chair, the Vice Chair

and the Chair of the Remuneration Committee would attend the dispute hearing.

The Board NOTED that options for a centralised Engineering and Construction provision had been considered by the Committee. The Vice Chair informed the Board that the Committee had recommended the Executive accelerate the development of the Estates Strategy and, within its context, progress two options to 'outline business case' stage.

5.1.4 MANAGEMENT ACCOUNTS TO OCTOBER 2015

The Board NOTED the Management Accounts to October 2015, and the financial commentary provided. The Chief Operating Officer highlighted the financial impact of the credit shortfall and its impact of Student Support Funds. The Board NOTED that due to low student numbers an in-year shortfall in SAAS and tuition fee income had been forecast.

5.1.5 2016/17 REGIONAL OUTCOME AGREEMENT (ROA): PRIORITY OUTCOME MEASURES

The Board NOTED refreshed 2016/17 ROA measures as part of the ongoing consultation across the Board, senior management, students and staff at the College, in order to create an meaningful set of performance indicators. The Board AGREED that the measures would be remitted back to appropriate committees of the Board and the Business Transformation Plan Working Group for further consideration.

5.2 ACADEMIC COUNCIL

5.2.1 MINUTES 23.11.15

The Board NOTED the Academic Council minutes from the meeting held on 23 November. The Chair of the Academic Council was pleased to inform the Board that, following the approval of new terms of reference in September 2015, representatives from all six curriculum areas had been co-opted to the Committee.

The Board NOTED that the Academic Council had commended the ECSA Operational Plan 2015/16, which set out ambitious targets for the Student Association. The Board wished the ECSA team well in-achieving their annual targets, and looked forward to reviewing their progress at the end of the academic year.

5.2.2 2014/15 ROA SELF-EVALUATION REPORT

The Board NOTED the College's first combined ROA and Institution-led Self-Evaluation Report, submitted to the SFC on 13 November. The Head of Performance & Planning informed the Board that at its request a sub-group, consisting of the Chair, Vice Chair and the Chairs of the Academic Council and Audit & Risk Assurance Committee, had considered and approved the Self-Evaluation Report prior to its submission.

The Board NOTED feedback from the Academic Council on the Self-Evaluation Report and endorsed the proposed dissemination activities to highlight key information to staff and students across the College.

5.2.3 ADDITIONAL SFC POST-MERGER REVIEW

The Board NOTED an Additional SFC Post-Merger Review Report, which evaluated the College's progress following merger and the outcome of the 2014/15 Development Plan.

The Board DISCUSSED the Post-Merger Review and the need to 'draw a line under' the merger, to allow the College to move forward. The Board APPROVED the submission of the Post-Merger Review, subject to minor amendments.

Sarah-Jane Linton, Head of Performance & Planning, left the meeting

5.3 AUDIT & RISK ASSURANCE COMMITTEE

5.3.1 MINUTES 30.11.15

The Board NOTED the Audit & Risk Assurance Committee minutes from the meeting held on 30 November. The Chair of the Audit & Risk Assurance Committee informed the Board that a report from the Head of IT/MIS, which provided assurances on risks relating to IT functions, business continuity and security across the College, had been considered by the Committee.

The Board NOTED that the need for further culture change within the College, in relation to Priority Based Budgeting (PBB) and the wider awareness of the organisation's financial situation, and the Committee's decision to introduce such a risk into the Top Risk Register.

The Board NOTED that the Committee had approved changes to delegated financial authority limits, as recommended by the External Engagement Committee, in-light of changes to the Board's committee structure and the business undertaken by the College in 2014/15.

5.3.2 FINANCIAL ACCOUNTS TO JULY 2015

The Board NOTED an annual report from the Audit & Risk Assurance Committee, which highlighted areas of activity undertaken by the Committee for the period 01 April 2014 to 31 July 2015.

The Board NOTED the Edinburgh College Annual Report and Financial Statements for the 16 months ended 31 July 2015. The Committee Chair informed the Board that the disallowance of excess additionality SUMs by the SFC had resulted in a late amendment to the Accounts to reflect the SFC clawback. Further to this, the Board NOTED that a re-evaluation of the College's fixed assets had also required additional revisions to the Accounts.

The Board NOTED that the Audit & Risk Assurance Committee were content to recommend, subject to the finalisation of adjustments and outstanding audit work, the Financial Account (to July 2015) and the supporting Letter of Representation for approval.

The Board NOTED External Auditor's Annual Report for the financial accounting period. The External Auditor informed the Board that the Annual Audit Report would require further amendment, with regard to the disallowed

SUMs and potential clawback implications, prior to its final issue. The Board NOTED an overview of the process which would be undertaken by the External Auditors in order to attain appropriate assurances from the College and the SFC, before the Financial Accounts to July 2015 could be closed.

The Board DISCUSSED the Financial Accounts, the remaining audit work required, and the process of approval. The Board AGREED that it was content to approve the Financial Accounts under the proviso that following the completion of outstanding audit work, a Board sub-group would consider and (if appropriate) approve a final version of both the Annual Report and Financial Statements and the Letter of Representation. The Board AGREED that the short-life sub-group would consist of the Chair, the Vice Chair and the Chair of the Audit & Risk Assurance Committee.

Hugh Harvie (KPMG) left the meeting.

5.3.3 TOP RISK REGISTER

The Board NOTED the Top Risk Register for November 2015, and the commentary provided by the Chief Operating Officer.

The Board NOTED a number of revisions following recommendations by the Board, the Executive Team and the Risk Management Group. The Chief Operating Officer informed the Board of emerging risk, and the need to incorporate items relating to the Business Transformation Plan within the Top Risk Register.

The Board DISCUSSED the Top Risk Register and the presentation of mitigated risks as 'red' on the RAG indicator. The Board AGREED that the Audit & Risk Assurance Committee should consider the appropriateness of the current RAG indicators further at its next meeting.

5.4 EXTERNAL ENGAGEMENT COMMITTEE

5.4.1 MINUTES 02.11.15

The Board NOTED the External Engagement Committee minutes from the meeting held on 02 November. Chair of the External Engagement Committee informed the Board that the College's brand development had been the main focus of the meeting, as outlined under Minute 5.4.2/08.12.15.

The Board NOTED that the Committee had considered the status of the College's communication plan, and acknowledged the need for a specific 'crisis communication plan' in case such a situation might arise. The Committee Chair informed the Board that the development of a crisis communications plan would be considered at the next meeting of the Committee.

The Board NOTED that the Committee had reviewed minutes and actions arising from its newly formed Commercial & International Sub-Group, which had met to consider commercial and international KPIs and ongoing developments in both areas.

5.4.2 BRAND DEVELOPMENT REPORT

The Board NOTED a report from the Head of Marketing, PR and Communications on the progress made in-relation to the brand review, which had been through a robust process of consultation and strategic development over the past 18 months.

The Board NOTED the final version of the 'Brand Wheel', which had been used to inform the brand strategy, and subsequently, the refreshed brand proposition. The Head of Marketing, PR and Communications outlined the creative proposal endorsed by the External Engagement Committee, and the 'next steps' to implement the brand both internally and externally.

The Board DISCUSSED the creative proposal and were pleased with the modern, clear and powerful image of the College projected. The Chair emphasised the need to engage students and staff with the brand, as 'brand ambassadors', in order to propel the College's image forward.

The Board NOTED that a brand 'rollout plan', highlighting the key dates to launch, would be reviewed by the External Engagement Committee at its next meeting.

5.5 NOMINATIONS COMMITTEE

5.5.1 MINUTES 07.10.15

The Board NOTED the Nominations Committee minutes from the meeting held on 07 October. The Chair informed the Board that the Nominations Committee remit had returned to its core statutory function, and as such, had focussed on Board capacity and future recruitment.

The Board NOTED that the Committee had agreed to undertake a further round of non-executive recruitment with the aim of conducting interviews by the end of November. The Chair confirmed that following a successful interview stage, four new non-executive appointments had been recommended to the Cabinet Secretary for Education and Lifelong Learning on 03 December.

The Board NOTED that approval for the four appointments from the Cabinet Secretary was expected before the New Year. The Board DISCUSSED the need to move forward with the appointments in a timely manner, and AGREED that the Nominations Committee would finalise the process and conduct a review of committee membership at its next meeting on 18 January.

6. PRINCIPAL & CHIEF EXECUTIVE REPORT

- 6.1 The Board NOTED a report from the Principal on business critical aspects of College business, including: Student enrolment (as discussed under minute 5.1.1/08.12.15); curriculum; external relations; and, achievement.
- 6.2 The Board NOTED that the proposed transfer of Veterinary Science provision from Edinburgh College to SRUC had been announced by both institutions. The

Principal informed the Board that the announcement had been received positively by staff, students, external stakeholders and trade unions.

- 6.3 The Board NOTED a range of achievements from across the College, as highlighted within the Report. The Chair invited the Board to engage further with the successes of, and challenges faced by, staff at the College through a series of visits and tours which would be organised by the Governance Team in 2016.

7. EDINBURGH COLLEGE STUDENTS' ASSOCIATION REPORT

- 7.1 The Board NOTED a report on ECSA's recent activities and upcoming projects, introduced by the Student President and the Vice President (Welfare).
- 7.2 The Board NOTED that over 200 Class Reps had received training from ECSA since the start of the academic year. The Student President informed the Board that the first round of Class Reps Conference had taken place in October, with the biggest themes to emerge been concerns over resources, the applications system and timetabling.
- 7.3 The Board NOTED that Taylor Brown had been elected as the ECSA Vice President (Women) in a bi-election on 03 November, and commended the new Sabbatical Officer on her appointment.
- 7.4 The Board NOTED that the Association Manager of ECSA, Graeme Kirkpatrick, had accepted a new post as the Director of the Highlands and Islands Students' Association. On behalf of the Board, the Chair thanked Mr Kirkpatrick for his service to ECSA and wished him well in his new role. The Board NOTED an overview of the process for recruiting a new Student Association Manager in early 2016.

8. GOVERNANCE REPORT

8.1 GOVERNANCE REPORT

- 8.1.1 The Board NOTED that Jan Cutting, a Non-Executive Board Member and Chair of the External Engagement Committee, would be stepping down from the Board in January 2016, due to other work commitments. On behalf of the Board, the Chair thanked Ms Cutting for her three years of service to the Board, and wishing her all the best in future endeavours.
- 8.1.2 The Board NOTED that the College Development Network (CDN) had launched its National Development Framework. The Governance Director informed the Board that induction workshops were currently been arranged by CDN, and would cover key aspects of the governance framework and the roles and responsibilities of Board Members.
- 8.1.3 The Board NOTED that the Good Governance Steering Group would be recommending that colleges undertake an externally facilitated self-evaluation in 2016. The Governance Director informed the Board that Edinburgh College already had plans in-place to conduct such an evaluation.

8.2 COLLEGE SECTOR GOVERNANCE REPORT

8.2.1 The Board NOTED a summary of recent and current governance developments in the sector and their implications for the College.

8.2.2 The Board NOTED that Scottish Government Task Group had been established to assess the quality and resilience of college governance, and to consider what lessons might be learnt by the sector in-light of recent high profile events. The Governance Director informed the Board that the Task Group would also consider current activities directed at improving standards and consistency in governance across the sector.

8.2.3 The Board NOTED that the Task Group would complete its work by February and make recommendations in early 2016. Further to this, the Governance Director informed the Board that the Good Governance Group would be central to the implementation of any recommendations emerging from the Task Group, and highlighted the significant amount of work already underway to operationalise the principles of the Code of Good Governance.

9. NATIONAL REPORT

9.1 The Board NOTED an update from the Chair on the ongoing status of national bargaining, and the 1% consolidated pay offer made by colleges in October 2015. The Chair informed the Board that Colleges Scotland would continue to work with trade unions and other parties to secure a long-term deal on national pay and conditions for the sector.

10. DEVELOPMENT TRUST

Allan Colquhoun, Chair of the Edinburgh College Development Trust, entered the meeting.

10.1 DEVELOPMENT TRUST UPDATE

10.1.1 The Board NOTED an update from the Chair of the Development Trust on its success, and the challenges it had faced, over the past year.

10.1.2 The Board NOTED the membership of the Development Trust, and the current governance arrangements in-place.

10.1.3 The Board NOTED the Development Trust's plans for the year ahead, and its proposals for future engagement within the Edinburgh and Lothians region. The Board DISCUSSED with the Chair of the Development Trust the level of student engagement observed by the Trust, and how the 'energy' of students could be harnessed further in the achievement of the Trust's key targets. The Chair of the Development Trust welcomed the comments of the Board, and agreed to discuss the character of future student engagement with representatives from ECSA further.

10.1.4 The Chair thanked the Chair of the Development Trust for his update and, on behalf of the Board, commended the valuable work of the Trust to date.

10.2 MEMORANDUM OF AGREEMENT

10.2.1 The Board NOTED a proposed ‘Memorandum of Agreement between the Board of Management of Edinburgh College and the Edinburgh College Development Trust’.

10.2.2 The Board APPROVED the Memorandum of Agreement for signing by the Chair of the Board of Management and the Chair of the Development Trust.

11. ANY OTHER COMPETENT BUSINESS

11.1 None.

12. DATE OF NEXT MEETING

12.1 The next meeting would be held at 14:00hrs on 09 February 2016 at the Milton Road Campus

Meeting closed at 17:10

..... (Signature of Chair) (Date)