



POLICY & RESOURCES COMMITTEE

MINUTES OF MEETING OF 18 JANUARY 2016

14:00 Boardroom, Milton Road Campus

Present: Alan Johnston; Ian McKay; Nigel Paul; Robin Stimpson; Ian Young (Chair).

In attendance: Annette Bruton, Penny Davis; Seamus Spencer (SFC); Ken Rutherford (SFC)
Marcus Walker (Clerk); Alan Williamson; Craig Wilson.

1 WELCOME AND APOLOGIES

1.1 Apologies were received from Sandra Cairncross.

1.2 The Committee Chair welcomed Ken Rutherford and Seamus Spencer, SFC Outcome Agreement Managers, to the meeting to consider progress on the Business Transformation Plan.

2 DECLARATIONS OF INTEREST

2.1 No declarations of interests were received.

3 MINUTES OF PREVIOUS MEETING

3.1 The Board APPROVED the Minutes from 26 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.

4.1.1 *COLLEGE BUDGET BI-ANNUAL REVIEW (Minute 9.5/26.11.15 refers)*

The Committee NOTED that a College Budget Bi-Annual Review would be presented to the Committee at its next meeting on 29 March.

5 BUSINESS TRANSFORMATION PLAN

5.1 WORKING GROUP GOVERNANCE

5.1.1 The Committee NOTED the remit and membership of the Business Transformation Plan Working Group, as endorsed by the Working Group on 11 January.

5.1.2 The Committee APPROVED the governance arrangements for the short-life Working Group, which would operate as a sub-group of Policy & Resources Committee.

5.2 WORKING GROUP MINUTES 11.01.16

5.2.1 The Committee NOTED the minutes of the first meeting of the Business Transformation Plan Working Group held on 11 January.

5.2.2 The Committee NOTED that the Working Group would aim to produce a plan for the SFC and Scottish Government by the end of March 2016, with a view to reshaping the College towards a financial breakeven position over the next three years. The Outcome Agreement Manager informed the Committee of the SFC's willingness to help and support the College as much as possible within the current financial parameters, and asked the Executive to identify points where cash injections would be helpful.

5.2.3 The Committee NOTED the key risks associated with the implementation and success of the transformational plan, including; the change capability within the College, the current cash position, the limited financial support available, and the need to engage staff and trade unions appropriately.

5.2.4 The Committee NOTED that the Principal had conducted a number of staff briefing events, across each campus, which outlined the current position of the College and the need for a transformational plan. The Deputy Principal informed the Committee of matters arising from the Executive Strategy Day on 12 January, and the proposals going forward for discussion with senior management in the coming weeks.

5.2.5 The Committee DISCUSSED the 'Development Plan' process undertaken by the College in 2014/15, in collaboration with the SFC, and the need for a long-term strategic plan and the addressing of current issues of stability. The Chair sought further assurance on these matters from the SFC before the College committed further to the Business Transformation Plan.

5.2.6 The Committee DISCUSSED the sequencing of event in the short and long-term, in order to set the College on a pathway forwards significant and lasting change. The Chair informed the Committee that in the short-term the College needed to move forward at pace, to reduce the 'bridging gap' between the current status quo and the implementation of the Business Transformational Plan. Further to this, the Committee DISCUSSED the following matters:

- (i) the need for curriculum change to take place in 2016/17;
- (ii) the options available to move forward should appropriate assurances on the College's future not be forthcoming;
- (iii) the 'interfacing' between SFC and Scottish Government with regards to the Colleges current situation, and the proposed transformational plan;
- (iv) the importance of a balanced budget in order to move forward.

5.2.7 The Committee welcomed the progress made by the Working Group and the engagement of SFC representatives. The Committee AGREED that it would be prudent to seek further assurances from the SFC Chief Executive and the Chair of the SFC, whilst the Business Transformation Plan was under development.

6 FINANCE REPORT

6.1 FINANCE REPORT

6.1.1 The Committee NOTED a report on the College's credit position and the financial implications of the credit shortfall. The Chief Operating Officer informed the Committee that, as of 11 January, the credit position of the College was 158,000.

6.1.2 The Committee NOTED correspondence between the Principal and the SFC (on 12 November 2015) relating to the rebasing of the College's credits, and the subsequent responses from John Kemp (Director of Access, Skills and Outcome Agreements) and Laurence Howell (Chief Executive) of the SFC on 04 and 16 December - respectively. The Principal provided the Committee with a further update following a meeting with SFC on 08 January.

6.1.3 The Committee NOTED that the Executive were awaiting a response from the SFC with regards to the re-basing of the College, which sought clarification on final credit calculations, long-term overheads and the potential impact on student bursaries. The College's Outcome Agreement Manager informed the Committee that a letter in response to these queries would be drafted and submitted to the Principal by 22 January.

6.1.4 The Committee DISCUSSED the impact of reducing the College credits by 12,000, and its potential effect on various interdependencies. The Outcome Agreement Manager welcomed the speed at which the College had reacted to rectify its credit position, thus allowing the College and SFC to seek a solution over the 2015/16 academic year.

6.1.5 The Committee NOTED that the Principal had also sought a letter of comfort from the SFC, relating to more general assurances around the future of the College and the support available to implement the Business Transformation Plan. Further to this, Members DISCUSSED the assurances sought by the College and AGREED that such concerns should be highlighted to the appropriate authority.

Ken Rutherford and Seamus Spencer left the meeting

6.1.6 In furtherance of Minute 5.2.7, the Committee AGREED that the Principal and Chair should as a matter of urgency meet with, and seek assurance from the Chief Executive and Chair of the SFC. The Committee AGREED that the Executive should consider contingency plans should appropriate assurances from the SFC not be provided.

6.2 MANAGEMENT ACCOUNTS TO NOVEMBER 2015

6.2.1 The Committee NOTED the financial performance of the College, as highlighted in the Financial Accounts to November 2015.

6.2.2 The Committee NOTED the College would undershoot its revised 2015/16 annual credit target. The Principal recognised the significant target gap to date, but advised the Committee that the revised credit target remained ambitious as the College was mindful not to overly reduce its capacity.

6.2.3 The Committee NOTED that efficiencies within staffing budgets had been offset by disappointing FE and HE student withdrawal numbers and low student numbers on commercial courses.

6.2.4 The Committee DISCUSSED the rise in staffing numbers (FTE) from 2013/14 to 2015/16, despite the College's efforts to reduce its staffing expenditure. To provide the Committee with a better understand of the College's true size, it was AGREED that a report would come forward to the next meeting of the Committee on staff numbers.

6.2.5 The Committee NOTED an update from the Chief Operating Officer on the Quarter 3 Resources Return. The Committee AGREED that the forecast comparisons between Quarter 2 and 3 should be circulated to Members, for information.

6.3 TUITION FEES 2016/17

6.3.1 The Committee NOTED a proposal for the 2016/17 tuition fees, as put forward by the Executive. The Committee Chair advised the Members that (on 08 January) the Chief Operating Officer had requested the Committee's endorsement of the proposal outwith the meeting, to allow for the timely advertisement of the new indicative rates. The Committee APPROVED the 2016/17 tuition fees on 11 January (via email), subject to ratification at its next meeting, but requested that in future such a proposal must be presented to the Committee in November/December to allow appropriate time for consideration.

6.3.2 The Committee NOTED that based on a market review comparing the College's part-time courses fees with other colleges and local universities, it was proposed that a 4% increase on course fees was applied (excluding commercial, international, community based ESOL, and other market sensitive course fees). The Chief Operating Officer informed the Committee that SAAS had confirmed that there would be no increase in full-time Advanced course fees.

6.3.3 The Committee DISCUSSED the following points relating to the tuition fee proposal:

- (i) the College's proposed 4% increase compared to prices applied by other colleges;
- (ii) the effect of the 4% increase across other tariff rates applied by the College;
- (iii) the future positioning of the College's fees in the upper quartile, and the need for an options appraisal on which to make such a decision;
- (iv) the equality impact assessment process;
- (v) the net income achieved through individual fees, and its overall contribution (approx. 2%) to the College's income.

6.3.4 In furtherance of Minute 6.3.1, the Committee NOTED the decision taken in-advance of the meeting.

6.4 EDINBURGH REGION PROCUREMENT TEAM

6.4.1 The Committee NOTED that, following the announcement of new procurement legislation, the College and Edinburgh Napier University (ENU) had reviewed its current level of services in order to meet forthcoming changes in legislation. The Chief Operating Officer notified the Committee that both parties had agreed that their preferred option would be to move towards an Edinburgh Region Procurement Team operated through APUC, as a shared service provider.

6.4.2 The Committee NOTED the proposed 'transitional' share service model, and the draft memorandum of agreement put forward by both parties. The Chief Operating Officer advised the Committee that although the financial saving through the agreement were limited, due to the College have a small procurement team (3 FTE), it would ensure that the College complied with the upcoming legislative changes.

6.4.3 The Committee DISCUSSED the proposed memorandum of agreement and the opportunities available to attract other organisations in to the 'Procurement Team'. The Committee NOTED that there were no start-up costs attached to the sharing of services, and that implications for pension contributions (related to the vacant 'Shared Procurement Officer' post) had been fully considered.

6.4.4 The Committee AGREED to endorse the memorandum of agreement between the College and ENU, and commended the work of all parties on this mutually beneficial initiative.

7 HUMAN RESOURCES REPORT

Beth Dickson, the Interim Head of HR, joined the meeting.

7.1 PROTECTION OF VULNERABLE GROUPS (PVG)

7.1.1 *Paragraph 7.1.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*

7.1.2 Paragraph 7.1.2 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

7.2 JOB EVALUATION

7.2.1 Paragraph 7.2.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

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7.3 EMPLOYMENT POLICIES AND PROCEDURES

7.3.1 Paragraph 7.3.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

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7.4 EMPLOYMENT RELATIONS

7.4.1 Paragraph 7.4.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

7.5 DISCIPLINE AND GRIEVANCE MATTERS

7.5.1 Paragraph 7.5.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

7.5.2 Paragraph 7.5.2 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

Beth Dickson left the meeting.

8 CAPITAL AND INFRASTRUCTURE REPORT

Mike Jeffrey, Head of Engineering, joined the meeting

- 8.1 *Paragraph 8.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 33, Commercial Interests and the Economy.*
- 8.2 The Committee NOTED a paper putting forward two options for an Edinburgh College Engineering Centre, with a view to the Members selecting one option to go forward to an outline business case. To support the options paper, the Head of Engineering outlined to the Committee the ways in which both options fitted with the current and future needs of his Department.
- 8.3 *Paragraph 8.3 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 33, Commercial Interests and the Economy.*
- 8.4 The Committee AGREED that the Executive should progress their recommended option to outline business case stage. The Chief Operating Officer informed the Committee that the College would request financial support from the SFC to move ahead with the outline business case.
- 8.5 *Paragraph 8.5 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 33, Commercial Interests and the Economy.*

9 ANY OTHER COMPETENT BUSINESS

- 9.1 None.

10 DATE OF NEXT MEETING

- 10.1 The next meeting of the Policy and Resources Committee will take place on 29 March 2016, in the Boardroom, Milton Road Campus.

Meeting closed at 16:25