



POLICY & RESOURCES COMMITTEE

MINUTES OF MEETING OF 03 MAY 2016

14:00 Boardroom, Granton Campus

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

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

1 WELCOME AND APOLOGIES

- 1.1 Apologies were received from Sandra Cairncross, Stephen Dunn and Robin Stimpson.
- 1.2 The Committee Chair thanked members for attending the meeting at short notice in order to consider a revised Business Transformation Plan, in light of discussions at the Board on 19 April.
- 1.3 The Committee Chair welcomed Ken Rutherford and Seamus Spencer, SFC Outcome Agreement Managers, to the meeting to consider the 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 29 March 2016 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 BUSINESS TRANSFORMATION PLAN

Sarah-Jane Linton, Head of Performance & Planning, and Jeroen Van Herk, ECSA Student President, joined the meeting.

5.1 REVISED BUSINESS TRANSFORMATION PLAN

5.1.1 The Committee NOTED a revised version of the Business Transformation Plan which had been developed further as a result of recent discussions with the Board and the SFC. The Head of Performance & Planning informed the Committee that the transformation plan had been updated to include:

- (i) A clear reference to the College's Vision, Values and Strategic Objectives;
- (ii) key milestones with an outcome-based approach to ensure effective governance;
- (iii) a detailed vision for each of the four programmes and 18 projects;
- (iv) specific focus on the current developments in curriculum planning and recruitment;
- (v) current and detailed financial analysis as supported through discussion with the SFC.

5.1.2 The Committee NOTED the revised layout of the transformation plan and welcomed the increased accessibility of the document to lay readers. The Committee Chair advised the Committee that its duty was to interrogate the transformation plan and, if appropriate, approve a workable proposition for consideration by the SFC.

5.1.3 The Committee NOTED an initial response from the College's Outcome Agreement Manager, who informed members that the SFC Finance Director would review the financial assumptions within the plan and respond to the Chief Operating Officer before the end of the week. Further to this, the Committee NOTED that a date had been agreed between the SFC and the Scottish Government to discuss the transformation plan proposal before the end of May.

5.2 FINANCIAL SUMMARY

5.2.1 The Committee NOTED a transformation plan financial summary presentation from the Chief Operating Officer which outlined: the key messages; the SFC requirements; the financial assumptions and their sensitivities. The Committee Chair thanked the Chief Operating Officer for emphasising these key elements within the transformation plan.

5.2.2 The Committee NOTED the immediate impact of the funding reductions relating to the 12,000 credits and transfer of 2,230 credits to SRUC, which would adversely affect the College's cash balance in 2016/17 due to the payment of salaries and overheads (pending progress through the transformation plan). The Chief Operating Officer advised the Committee that a cash advance from the SFC would be required to address these financial challenges, and would need to be paid back from 2017/18 to 2019/20.

- 5.2.3 The Committee DISCUSSED the 'bigger picture' around the transformation plan and concerns relating to the loss of credits through the transfer of provisions to SRUC, which the Chair emphasised would have a huge effect on the sensitivities within the proposed financial assumptions. The College's Outcome Agreement Manager informed the Committee that discussions around the transfer of provisions had started over a year ago, with all affected parties present, and agreement had been reached that the proposed transfer was appropriate. The Principal highlighted that in subsequent discussions with the SFC, the College had been under the notion that the loss of credits associated with the transfer would be included within the wider reduction of 12,000 credits.
- 5.2.4 The Committee NOTED the transfer process, as outlined by the Principal, whereby the College had been asked to estimate the maximum credit value of the transferable provisions. The Principal acknowledged that following the process of drawing down the value of the transferred credits it was apparent that actual credit total was lower than the indicative one, and that the College stood to lose significantly more credits than anticipated.
- 5.2.5 The Committee NOTED that the Principal and the SFC were meeting on 04 May to discuss the SRUC transfer further. The Committee AGREED that the situation around the transfer and the proposed loss of credits needed to be clarified as it would have a significant effect on the assumptions within the transformation plan.
- 5.2.6 The Committee DISCUSSED other aspects of the financial summary including:
- (i) the proposed cash advance from the SFC and its presentation alongside standing College loans;
 - (ii) the reduction of Grant-in-Aid from 2017/18, and the impact of future pay awards;
 - (iii) the ongoing negative impact of net depreciation on the College;
 - (iv) the breakdown of the proposed Voluntary Severance (VS) scheme tranches, and their relationship to curriculum planning;
 - (v) the risks associated with not meeting the required VS Scheme savings in the initial tranche.

5.3 IMPLEMENTATION AND MONITORING

- 5.3.1 The Committee DISCUSSED the transformation plan and the financial information highlighted by the Chief Operating Officer. The Committee AGREED that it would be appropriate to include an executive summary within the document to draw readers' attention to the key priorities of the plan.
- 5.3.2 The Committee DISCUSSED the *Workforce Development & Structure Programme* and how various aspects of the curriculum would sit under the new 'Assistant Principal' roles. The Committee AGREED that the Executive should ensure that incoming ECSA sabbatical officers receive a briefing on changes to curriculum leadership, when appropriate.
- 5.3.3 The Committee AGREED that the 'Vision, Values and Strategic Objectives' section of the transformation plan should be considered against changing regional and

national economic priorities to ensure that the wording of the plan remained current.

- 5.3.4 The Committee APPROVED the transformation plan subject to the satisfactory resolution of matters relating to the transfer of credits to SRUC (minute 5.2.5 refers). The Committee Chair informed the Committee that it would continue to closely monitor the financial aspects of the transformation plan to ensure its viability going forward.
- 5.3.5 The Committee DISCUSSED the governance arrangement and timescales for the transformation plan going forward. The Committee Chair advised members that progress would continue to be monitored via the 2016/17 Regional Outcome Agreement and, in a broader manner, through SFC representation at the Policy & Resources Committee.
- 5.3.6 The Committee NOTED the extensive work conducted by the Senior Management Team and other colleagues to produce the revised transformation plan. The Committee Chair, of behalf of members, asked that the Principal to forward on the Committee's thanks to all staff who had contributed to the transformation plan.

Sarah-Jane Linton, Ken Rutherford, Seamus Spencer, Jeroen Van Herk, Alan Williamson and Craig Wilson left the meeting.

6 ANY OTHER COMPETENT BUSINESS

- 6.1 None.

7 DATE OF NEXT MEETING

- 7.1 The next meeting of the Policy and Resources Committee will take place on 14 June 2016, in the Boardroom, Milton Road Campus.

8. CLOSED BUSINESS

- 8.1 Items of business were considered by the Board as part of a closed session. Closed Items were recorded under a separate minutes (*Closed minutes 8.1/03.05.16 refers*).

Meeting closed at 15:50