



POLICY & RESOURCES COMMITTEE

MINUTES OF MEETING OF 14 JUNE 2016

14:00 Boardroom, Milton Road Campus

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

In attendance: Annette Bruton, Jon Buglass, Penny Davis; Sarah-Jane Linton; Jonny Pearson; Ken Rutherford (SFC); Seamus Spencer (SFC); Lindsay Towns; Marcus Walker (Clerk); 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 03 May 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

5.1 BUSINESS TRANSFORMATION PLAN REPORT

- 5.1.1 The Committee NOTED that the Business Transformation Plan had been submitted to the SFC on 05 May, following the Committee's approval on 03 May. The Head of Performance & Planning informed the Committee that the Principal had received a letter from the SFC Chief Executive, Laurence Howells, on 19 May, in response to the submitted transformation plan.
- 5.1.2 The Committee NOTED the SFC Chief Executive's letter, which clarified the Funding Council's expectation on the implementation of the plan and the proposed process of dealing with the associated funding requested by the College. The Head of Performance & Planning highlighted the four areas of priority identified by the SFC in the letter: priority based budgeting; curriculum planning; learning, teaching and assessment strategy and teaching staff realignment.
- 5.1.3 The Committee DISCUSSED the financial support outlined in the letter, and the College's Outcome Agreement Manager confirmed that a further letter would be drafted by the SFC Finance Director regarding funding arrangements. The Committee NOTED that the SFC had requested a review of the transformation plan by the College's internal auditors, Scott-Moncrieff, prior to a decision been reached on further support for other aspects of the plan. The Principal informed the Committee that further discussion with the SFC and the internal auditors would be required before the review could commence.
- 5.1.4 The Committee Chair, on behalf of the Committee, wished to record the College's appreciation for the financial support outlined by the SFC. The Committee welcomed the opportunity to continue its dialogue with the SFC and seek further financial support, as appropriate.

Alan Johnston joined the meeting

- 5.1.5 The Committee NOTED that the first meeting of the Strategic Programme Board, the body overseeing project-level governance of the transformation plan, had been held on 02 June. The Principal informed members that the Programme Board had consider reporting arrangements to the Policy & Resources Committee.
- 5.1.6 The Committee DISCUSSED the proposed reporting arrangements put forward by the Strategic Programme Board, including:
- (i) the coinciding of Programme Board meetings with the Committee's annual cycle;
 - (ii) the inclusion of Committee meetings in the GANTT chart milestones, as NOTED by members, and the project meeting schedule;
 - (iii) the proposed format of reports which would outline: 'interdependencies', 'exception reporting', 'resource requirements' and 'challenges requiring strategic solutions';

- (iv) the need for the Committee to review the recruitment and retention dashboard;
- (v) the reporting of transformation plan items to other committees of the Board, and the need to for the Committee to retain an overview of wider reporting and discussion.

5.1.7 The Committee AGREED the reporting mechanism proposed by the Strategic Programme Board. Further to this, the Committee AGREED that as the transformation plan's 'home' committee it should be notified of transformation plan related reports to other committees of the Board.

5.2 RECRUITMENT & RETENTION DASHBOARD

5.2.1 The Committee NOTED an update on the College's performance against its 2016/17 recruitment and credit targets. The Associate Principal (Recruitment & Retention) tabled an updated dashboard document with the latest data, as of 14 June, for the Committee's reference.

5.2.2 The Committee NOTED that 92% of full-time places had been offered and 97% of those accepted. The Associate Principal informed the Committee that International courses had only opened on 04 April, and it was expected that recruitment on these course would pick up over the summer period. Further to this, the Committee NOTED that recruitment for College Community and Building Craft & Trowel Trades, which had previously been areas of concern, had improved over recent weeks.

5.2.3 The Committee welcomed the positive outlook provided by the Associate Principal, and DISCUSSED the following matters:

- (i) the 570 cancelled places outlined, and the categorising of those applicants (e.g. places at University or employment);
- (ii) the challenges faced by College Community still using paper applications, and the proposed move to the electronic format;
- (iii) the varying levels of over offer based on the use of planning tools
- (iv) the number of continuing students, which the Associate Principal stated would become clearer in late July;
- (v) the continuation of recruitment for part-time and international courses.

5.2.4 The Committee NOTED that the SFC Outcome Agreement Manager was confident in the data and forecasting provided, in addition to the work done by the Head of Engineering, Mike Jeffrey, to audit the College's curriculum framework. The Outcome Agreement Manager, however, stressed the importance of the College continuing to consolidate its efforts until the final recruitment and credits scores were known.

5.2.5 The Committee NOTED that its next meeting would not be held until 23 August. In recognition of this, the Committee AGREED that the Board should receive updates on recruitment at key landmarks over the summer period, as defined by the Executive Team.

5.3 CURRICULUM PLANNING REPORT

- 5.3.1 The Committee NOTED a report from the Associate Principal (Curriculum Planning), as reviewed by the Academic Council on 03 June, highlighting progress on curriculum planning since January 2016. The Associate Principal outlined curriculum changes in 2016/17 to the Committee, and the proposed planning process for 2017/18.
- 5.3.2 The Committee NOTED the Curriculum Planning Programme for 2017/18 and 2018/19. The Associate Principal informed the Committee the Planning Programme had been recommended by the internal auditors, Scott Moncrieff, as a means to ensure accountability and clarity for the various stages of the process. The Committee NOTED that the Planning Programme had been reviewed by Heads of Centre and the Executive, and endorsed by the Academic Council.
- 5.3.3 The Committee welcomed the approach toward planning for 2018/19 earlier in advance, and DISCUSSED the following aspects of curriculum planning:
- (i) the potential for new entry level courses to meet recruitment targets in their first year(s), and the monitoring processes in place;
 - (ii) the growth of historically weaker areas and the reduction of courses which had recruited positively, and the 'balancing act' with future industry demands;
 - (iii) the monitoring and analysis of curriculum changes through planning tools, and the reporting of data for strategic purposes;
 - (iv) the flexibility of curriculum planning to accommodate changes to the College estate, based on the SFC's encouragement to the College to look at its size without hindering access to those in the Edinburgh and Lothians.
- 5.3.4 The Committee AGREED that a report should be provided to the Board on 20 September, which outlines the number of students on courses in 2016/17. The Chair requested that a follow-up report should be provided to a subsequent Board meeting, for comparative purposes, so the Board can review retention rates.
- 5.3.5 The Committee AGREED that in 2016/17, a significant item on curriculum planning should be brought forward to the Committee for discussion. The Committee Chair hoped that such an item would provide members with an appropriate opportunity to consider this important area of work in-depth.

5.4 PRIORITY BASED BUDGETING OPTIONS

Lindsay Towns entered the meeting

- 5.4.1 The Committee NOTED a report on the progress of the priority based budgeting (PBB) project, and the 37 options proposed by the Senior Management Group (SMG) for progression towards a full feasibility stage.

- 5.4.2 The Committee NOTED that a number of options rejected by the SMG, plus 86 options already aligned to the Business Transformation Plan (and another 29 linked to ongoing reviews) which had been separated out through the PBB process. The Principal informed the Committee that rejected options, and those separated out, would be made available to staff.
- 5.4.3 The Committee DISCUSSED the options put forward for approval, and NOTED that some of the options could be considered contentious and would require further consideration once a feasibility study had been undertaken. The Head of Finance confirmed that due process would be followed, including consultation (as appropriate) and equality impact assessments.
- 5.4.4 The Committee APPROVED the options put forward by SMG to go forward for full feasibility studies.

Jon Buglass; Sarah-Jane Linton, Jonny Pearson left the meeting.

6 FINANCE REPORT

6.1 STUDENT SUPPORT FUNDS 2016/17

- 6.1.1 The Committee NOTED an initial overview of the projected Student Support Funds allocation and spend for 2016/17. The Deputy Principal informed the Committee that the projected funds were based on the planned student intake for the upcoming session and an analysis of trends in previous academic sessions.
- 6.1.2 The Committee NOTED scenarios for the childcare and FE discretionary funds, and addition scenarios with respect to bursary funding – which remains dependent on student bursary uptake. The Deputy Principal outlined proposed steps to address the risk associated with each funding scenario.
- 6.1.3 The Committee DISCUSSED the detailed report provided by the Deputy Principal, including the following:
- (i) ECSA's past concerns about the use of childcare funds to provide bursary awards – if necessary;
 - (ii) the 'balancing act' between student recruitment, retention and bursary funding, and the potential issues raised by over recruitment;
 - (iii) the ongoing impact of net depreciation and whether it would continue beyond the upcoming comprehensive spending review.
- 6.1.4 The Committee NOTED that, for information, the Student President had been provided with a copy of the paper in confidence.
- 6.1.5 The Committee NOTED that by October 2016 it should become more apparent which of the scenarios the College was moving towards. The Deputy Principal confirmed that a follow-up report would be provided to the Committee in due course.

Ken Rutherford and Seamus Spencer left the meeting

6.2 FINANCE REPORT

- 6.2.1 The Committee NOTED nine month overview of the College's financial position, including a revised forecast deficit for the year. The Head of Finance highlighted to the Committee that there had been a decrease in staff numbers of 8.1 FTE between March and April 2016, and that these changes had been reflected in the forecast of staff costs.
- 6.2.2 The Committee NOTED the most recent Resource Return and Cashflow as provided to the SFC.
- 6.2.3 The Committee NOTED that the SFC 2016/17 funding allocations for colleges' outcome agreements had been announced on 09 May. The Head of Finance informed the Committee that the College's Teaching/Fee Waiver Grant had been reduced by 4.7% due to known credit reductions, along with the Capital Maintenance Grant which had fallen by £0.6m (25%).
- 6.2.4 The Committee NOTED an update on the ongoing discussions between the SFC and SRUC regarding the transfer of Edinburgh College credits. The Deputy Principal informed the Committee that further correspondence from the SFC's Director of Finance on the situation was expected shortly.

6.3 MANAGEMENT ACCOUNTS TO APRIL 2016

- 6.3.1 The Committee NOTED the financial performance of the College as outlined in Management Accounts to April 2016.

6.4 INDICATIVE BUDGET 2016/17 UPDATE

- 6.4.1 The Committee NOTED the College's approach to preparing the 2016/17 Budget. The Head of Finance informed the Committee that the Finance Department had worked with Department Heads and their managers, in line with the following process:
- (i) using the 2016/17 revised curriculum as the basis for staffing establishments, costs and income;
 - (ii) the involvement of Department Heads in the preparation of the details supporting income and expense items in their budget and approving the final number for their departments;
 - (iii) achieving a budget position in line with the transformation plan, initially before the effects of PBB, voluntary severance and restructuring savings.
- 6.4.2 The Committee NOTED the progress made and the key 2016/17 budget timetable milestones, culminating with the Indicative Budget going forward to the Board on 20 September.
- 6.4.3 The Committee DISCUSSED the process and were supportive that it aligned with other ongoing processes linked to the transformation plan. The Chair informed

the Committee that he was encouraged that the process aimed to facilitate a depth of awareness throughout senior management at the College.

6.4.4 The Committee AGREED that the 2016/17 Indicative Budget would be presented to its next meeting on 23 August, and that a significant portion of the meeting would be reserved for the consideration of this item.

6.4.5 The Committee AGREED that the Committee Chair, in his report to the Board on 21 June, should make Board members aware that the College would be entering into the next financial year without an agreed budget. The Chair highlighted that due to the delayed confirmation of receipt of funding from the SFC, whilst the outcome of the comprehensive spending review was awaited, a number of colleges would also be postponing the finalisation of their budgets until the new academic year.

6.5 FINANCIAL FORECAST RETURN 2016

6.5.1 The Committee NOTED that as part of the SFC's financial sustainability monitoring framework, colleges were required to provide a forecast outturn for 2015/16 and the following two academic years (2016/17 and 2017/18). The Head of Finance informed the Committee that the Financial Forecast Return 2016 must be submitted to the SFC, with Board approval, by 30 June.

6.5.2 The Committee NOTED the forecasting process conducted by the Head of Finance, which included the alignment of figures with the first two years of the Business Transformation Plan. The Head of Finance advised the Committee that the figures presented were subject to review by the Chief Operating Officer.

6.5.3 The Committee DISCUSSED the SFC's request to forecast 3 years ahead, when the Funding Council was only able to provide one year funding indications and these came very late in the year planning cycle.

6.5.4 The Committee AGREED to endorse the Financial Forecast Return 2016 to the Board for approval on 21 June.

Lindsay Towns left the meeting

Chris McDougall, Head of Estates Services, joined the meeting

7 CAPITAL AND INFRASTRUCTURE REPORT

7.1 FEASIBILITY STUDY OF EDINBURGH COLLEGE ESTATE UPDATE

7.1.1 The Committee NOTED an update on SFC support/funding for a feasibility review of Edinburgh College Estate. The Head of Estates Services advised the Committee that, following a meeting with Martin Kirkwood and Ken Rutherford, the SFC had informed the College that they did not wish to fund a full feasibility review until the curriculum for 2017/18 onwards had been agreed.

- 7.1.2 The Committee NOTED that funding for the feasibility review of Engineering and Construction provision and a review of the size of the estate (to allow benchmarking against other similar sized colleges) would be provided.
- 7.1.3 The Committee DISCUSSED the following points relating to the proposed feasibility funding:
- (i) the instructions that would be given to those carrying out the proposed reviews, prior to the finalisation of the curriculum offer;
 - (ii) the College's current levels of space utilisation and occupancy;
 - (iii) the presentation of room utilisation, and whether a 'heat map' overview could be developed.
- 7.1.4 The Committee AGREED that the Estates Working Group, chaired by Robin Stimpson, should convene in advance of the Policy & Resources Committee meeting on 23 August to consider matters relating to the proposed estates reviews. The Committee AGREED that the Estates Working Group should be provided with 'heat maps' to support its consideration of the current estate and its utilisation.

7.2 CLIMATE CHANGE & SUSTAINABILITY POLICY

- 7.2.1 The Committee NOTED a Climate Change & Sustainability Policy and accompanying Waste & Recycling Policy, as approved by SMG on 21 April. The Head of Estates Services advised the Committee that the Sustainability Policy outlined the College's commitment to sustainability and how it will reduce emissions, adapt to climate change and act in a sustainable manner in line with its obligations as a named 'major player' in the Climate Change (Scotland) Act 2009.
- 7.2.2 The Committee NOTED that a Fair Trade Policy would be considered by SMG shortly, and come forward for review by the Committee in due course.
- 7.2.3 The Committee DISCUSSED and APPROVED both the Climate Change & Sustainability Policy and the Waste & Recycling Policy, with the following amendments:
- (i) a definition of sustainability should be included in the appropriate policy;
 - (ii) the inclusion of references to the College's Travel Plan and the current links/relationships with local councils.

Chris McDougall left the meeting

8 REVIEW OF CODE OF GOOD GOVERNANCE

- 8.1 The Committee NOTED that the Code of Good Governance for Scotland's College had been reviewed by the Good Governance Steering Group, to take account of the changing regulatory landscape and the findings of the Scottish Government's Task Group.

- 8.2 The Committee NOTED that the revised draft of the Code had not changed substantially overall from the original, published in December 2014, with the majority of amendments made to reflect the Task Group's recommendations. The Governance Director informed the Committee that two of the notable areas of change are the section on Employee Relations, which now takes account of a Staff Governance Standard (currently under development), and the section on the Board Secretary's role.
- 8.3 The Committee DISCUSSED the revised Code and the suggested feedback provided by the Governance Director as part of an online consultation exercise. The Governance Director informed the Committee that due to the feedback deadline of 17 June, it would not be possible for the Board to review and comment at its next meeting on 21 June.
- 8.4 The Committee APPROVED the proposed feedback to the consultation, and AGREED that the feedback should be circulated to Board members for comment prior to its submission.

9 ORGANISATIONAL AND STAFFING REPORT

Beth Dickson, Interim Head of HR, joined the meeting

9.1 HUMAN RESOURCES REPORT

- 9.1.1 *Paragraph 9.1.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*
- 9.1.2 *Paragraph 9.1.2 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*
- 9.1.3 *Paragraph 9.1.3 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*

9.2 COLLEGE STAFF REPORT

- 9.2.1 The Committee NOTED a summary of the overall staff FTE within the College from February to April 2016. The Interim Head of HR highlighted the slight reduction in staff numbers and the associated decrease in staff costs.

10 REVIEW OF COMMITTEE OPERATION

- 10.1 The Committee NOTED that at the end of each academic year the Committee is required to review its annual activity. The Committee Chair advised the Committee that the same evaluation form, which asked members to consider the committee's operation and its performance monitoring and strategic roles, would be completed by all committees of the Board.

- 10.2 The Committee AGREED that its operation was compliant with its terms of reference, as outlined in 'Part 1' of the evaluation form.
- 10.3 The Committee DISCUSSED its performance in relation to its performance monitoring, strategic roles, decision-making and relationship. The Committee AGREED that the Committee Chair should work with the Governance Advisor to draft 'Part 2', prior to its recirculation to the Committee for further analysis and comment.

11 ANY OTHER COMPETENT BUSINESS

- 11.1 None.

Craig Wilson left the meeting

12 DATE OF NEXT MEETING

- 12.1 The next meeting of the Policy and Resources Committee will take place on 23 August 2016, in the Boardroom, Milton Road Campus.

13 CLOSED ITEM(S) OF BUSINESS

- 13.1 Closed Items of business were considered by the Policy & Resources Committee as part of a closed session. Closed Items were recorded under a separate minutes (*Closed minutes 12/14.06.16 refers*).

Meeting closed at 16:50