



For the future you want

POLICY & RESOURCES COMMITTEE

MINUTES OF MEETING OF 15 NOVEMBER 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, Alex Craig; Penny Davis; Jonny Pearson; Ken Rutherford (SFC); Seamus Spencer (SFC); Lindsay Towns; Marcus Walker (Clerk); Richard Whetton; Alan Williamson.

1 WELCOME AND APOLOGIES

- 1.1 The Committee Chair welcomed Ken Rutherford and Seamus Spencer, SFC Outcome Agreement Managers, to the meeting to consider the transformation plan.
- 1.2 The Committee Chair welcomed the Depute Principal, Alex Craig, and the Head of Corporate Development, Richard Whetton to their first meeting of the Committee.
- 1.3 On behalf of the Committee, the Committee Chair thanked Dr Sandra Caincross, who had recently stood down as a non-executive member of the Board, for her contribution to the Policy & Resources Committee.

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 23 August 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 SCOTT-MONCRIEFF BUSINESS TRANSFORMATION PLAN REVIEW

5.1.1 The Committee NOTED that a review of the Business Transformation Plan, jointly commissioned by the Board of Management and the SFC, conducted by Scott-Moncrieff had been reviewed by the Board on 20 September 2016. The Principal informed members that the Board had agreed that the Policy & Resources Committee would consider a management response to the review, and progress on each recommendation to date.

5.1.2 The Committee NOTED the management response, as outlined by the Principal, and the progress (and proposed dates of completion) on recommendations within the report. The Principal highlighted that the management response aimed to draw together recommendation/actions from other external audits and reviews, to ensure that all responses were embedded within the transformation plan. This approach aimed to mitigate the potential risks of working to several different action plans.

5.1.3 The Committee DISCUSSED the management response and welcomed the efforts made to draw together actions arising from current audits and reviews, and align those with the Regional Outcome Agreement 2017-20 and future strategic planning.

5.1.4 The Committee DISCUSSED progress on individual recommendations relating to financial management through the transformation plan, and the need to review financial forecasting quarterly. Further to this, the Chief Operating Officer outlined that baselines were in place to ensure that the benefits of the transformation plan were measured appropriately.

5.1.5 The Committee, with delegated authority for overseeing the implementation Business Transformation Plan, APPROVED the management response. At the request of the SFC Regional Outcome Agreement Manager, the Committee AGREED that the management response should be shared with the SFC, along with a formal note of Board approval.

5.1.6 The Committee AGREED that a consolidated action plan should come forward to the next meeting of the Committee for review. In addition to this, the Committee AGREED that the Executive (for long-term planning purposes) should give due consideration to transformation plan actions relating to the review HR and OD functions.

5.2 STRATEGIC PROGRAMME BOARD EXCEPTION REPORT

5.2.1 The Committee NOTED an update on the outcomes of the Strategic Programme Board held on 02 November.

- 5.2.2 The Committee NOTED that progress on the four programmes within the Business Transformation Plan. The Principal informed the Committee that Programme 1 (Financial Sustainability) target milestones were over 40% complete, within the three year scope of the transformation plan.
- 5.2.3 The Committee NOTED that the Executive Team had held regular meetings with the SFC Regional Outcome Agreement Manager to discuss progress on the transformation plan. The Regional Outcome Agreement Manager informed the Committee that the SFC were content with the progress outlined to date.
- 5.2.4 The Committee DISCUSSED the format of the exception report and welcomed the changes made in light of feedback provided at the last meeting of the Committee (minute 15.11.16 / 5.1.2 refers).

5.3 RECRUITMENT & RETENTION DASHBOARD

- 5.3.1 The Committee NOTED an update from the Assistant Principal (Recruitment & Retention) on the College performance against in 2016/17 recruitment and credits targets. The Assistant Principal informed the Committee that, as of 31 October, the full-time provision was close to the College's semester 1 target, whilst part-time provision was below initial projections.
- 5.3.2 The Committee NOTED that early retention figures had a shown a significant improvement on the previous academic year, however, members were cognisant of a slight deterioration in the withdrawal rates between 31 October and the date of the meeting.
- 5.3.3 The Committee NOTED reassurances from the Assistant Principal that all efforts to meet the 2016/17 credit targets were being made by the Executive. The Assistant Principal outlined ongoing actions taking place that would see the semester 1 actual credits activity rise further before the end of November.
- 5.3.4 The Committee DISCUSSED planned additional delivery to ensure the College meets its overall activity target. The Depute Principal highlighted to the Committee the wider considerations taking place around staffing, resources and estates, to ensure that appropriate support was in place to help staff increase credit activity.
- 5.3.5 The Committee NOTED that the next update on retention and credits targets would be provided to the Board meeting on 13 December.

5.4 CURRICULUM PROGRAMME REPORT

- 5.4.1 The Committee NOTED a report on the Curriculum Programme, within the transformation plan, from the Assistant Principal (Curriculum Design and Development). The Assistant Principal informed the Committee of the significant work undertaken to develop internal mechanisms to manage course planning more effectively, through the use of new planning tools.

- 5.4.2 The Committee NOTED that the Board, at its strategy day on 31 October, and the Academic Council had both received presentation on the direction of travel relating to curriculum planning and design.
- 5.4.3 The Committee NOTED progress on strategic developments related to Developing the Young Workforce, and the new Learning, Teaching and Assessment Strategy. The Assistant Principal confirmed that a draft of the latter Strategy would be reviewed by the Academic Council on 20 January 2017.
- 5.4.4 The Committee DISCUSSED the following matters relating to the development of the Curriculum Programme:
- (i) the pace of change within the curriculum, and feedback from staff through the performance review process;
 - (ii) the collation and analysis of data through the Curriculum Programme, and its use to make informed strategic decisions;
 - (iii) the launch of the new curriculum in January, and the release of the accompanying prospectus.
- 5.4.5 The Committee NOTED the criticality of curriculum changes in 2016/17, in order for the College to enhance its student recruitment in the following academic year.

6 REGIONAL OUTCOME AGREEMENT (ROA)

6.1 2015/16 ROA SELF-EVALUATION REPORT

- 6.1.1 The Committee NOTED that in order for the ROA Self-Evaluation Report 2016 to be submitted to the SFC on 07 November, the Board had delegated the responsibility for its approval to the Academic Council. The Committee Chair informed members that the Self-Evaluation Report had subsequently been approved by the Committee and submitted to the SFC.
- 6.1.2 The Committee NOTED attainment and retention in 2015/16, in particularly a 5.6% increase in full-time FE student attainment, which was above both the College target and sector average. The Assistant Principal (Curriculum Design and Development) highlighted that student achievement on full-time HE student attainment remained above the sector average.
- 6.1.3 The Committee NOTED a brief overview, from the Regional Outcome Agreement Manager, of the process undertaken by the SFC to review colleges' self-evaluation reports.

6.2 SFC GUIDANCE ON COLLEGE QUALITY ARRANGEMENTS

- 6.2.1 The Committee NOTED an overview on SFC Guidance on College Quality Arrangement for 2016/17. The Assistant Principal (Curriculum Design and Development) informed the Committee that Education Scotland and the SFC were working collaboratively to create a new model for Validated Self-Evaluation, which was in the process of being rolled out across the sector.

- 6.2.2 The Committee NOTED pre-emptive changes introduced by the College to meet the needs of the new self-evaluation requirements. The Assistant Principal advised the Committee that four of Education Scotland's key principles already matched with programmes within the Business Transformation Plan.
- 6.2.3 The Committee DISCUSSED and APPROVED the approach to implementing the new quality arrangements outlined by the Executive Team.

Jon Buglass and Jonny Pearson left the meeting.

6.3 ROA 2017-2020 PLANNING REPORT

- 6.3.1 The Committee NOTED key dates in the Board planning cycle for the submission of the College ROA 2017-2020. The Depute Principal informed members that the Board (and appropriate committees) would receive an opportunity to consider the ROA 2017-20 at scheduled meetings in early 2017, prior to its submission to the SFC in March.
- 6.3.2 The Committee NOTED the interdependencies between the ROA 2017-2020, the Business Transformation Plan and the development of other internal strategies, and the need to progress matters in line with the consolidated action plan (minutes 5.1.2 refers).

Ken Rutherford and Seamus Spencer left the meeting.

Lindsay Town, Head of Finance, joins the meeting.

7 PERFORMANCE REVIEW REPORT

- 7.1 The Committee NOTED a report on the introduction of a new performance review process, to support continual performance improvement within curriculum areas. The Depute Principal informed the Committee that the proposed review process aimed to maximize performance levels across the organisation through direct actions, and supportive discourse, around the key areas of business and associated key performance indicators.
- 7.2 The Committee NOTED that phase one of the performance review process would be introduced in 2016/17, for all academic areas, with phase two to be piloted for all support areas in 2017/18. The Depute Principal advised the Committee that key areas of business would be monitored and reviewed by Performance Review Panels, with summaries and recommendations from each Panel going forward to the Senior Management Group and relevant committees of the Board for review.
- 7.3 The Committee welcomed the introduction of the new performance review process, and NOTED its important role in managing the quality of the curriculum and financial planning provision across the College.
- 7.4 The Committee DISCUSSED the role of performance reviews in ensuring that KPIs and credit targets were achieved, including the following:

- (i) the need to create an understanding between the Executive, senior management and middle managers on performance expectations;
- (ii) the tie in between internal performance targets and those outlined with the SFC and Education Scotland;
- (iii) the critical importance of performance reviews in allowing the College to meet its SFC and non-SFC funding targets;
- (iv) the support needs of staff in order to meet their performance and credit targets.

7.5 On behalf of the Committee, the Committee Chair wished the Executive well in their preparations for the initial Performance Review Panel meetings taking place in November 2016.

8 FINANCE REPORT

Lindsay Towns, Head of Finance, joined the meeting

8.1 FINANCE REPORT

8.1.1 The Committee NOTED that the Executive Team continued to seek a satisfactory resolution on the transfer of activity to SRUC with senior staff within the SFC. The Chief Operating Officer advised the Committee of the current position and the stance taken by the College.

8.1.2 The Committee NOTED that the Annual Accounts to 31 July 2016 were to be considered by the Audit & Risk Assurance Committee on 23 November. The Committee AGREED that reassurances around the College's position as a going concern should be agreed with the SFC prior to the approval of the Annual Accounts.

8.1.3 The Committee NOTED that the College had been required to transfer to the Government Banking Services contract held by RBS, however, this was recently placed on hold by the Scottish Government. The Head of Finance informed the Committee that the College had been advised to transfer to the RBS Contract for Local Banking Services, prior to transitioning to the Government Banking Services contract at a later date. The Committee NOTED that the Local Banking Services met the needs of the College and a paper would be presented to the Board on 13 December requesting that the necessary resolution be passed.

8.1.4 The Committee NOTED that the College had been informed by the SFC of the allocation of additional capital funding for the financial year 2016/17. Further to this, the College had been awarded funds in relation to capital sustainability projects. The Head of Finance informed the Committee that both funding allocations were being prioritised as the cash would need to be spent/contractually committed by 31 March.

8.2 MANAGEMENT ACCOUNTS TO SEPTEMBER 2016

8.2.1 The College NOTED the financial performance of the College as outlined in the Management Accounts to September 2016.

8.2.2 The Committee NOTED the new format of the Management Accounts based on past feedback from the Committee and the Board. The Committee Chair welcomed the revised format and efforts to improve the readability of the document. The Committee AGREED that it would welcome further refinements to the Management Accounts to clearly illustrate the progress of the College to reaching financial sustainability.

8.2.3 The Committee NOTED that advanced cash funding would be provided by the SFC to accelerate progress towards a balanced budget position over the next three years. The Head of Finance highlighted that cashflow forecasts showed that March and July 2017 would be the two points with the lowest balances.

9 CAPITAL AND INFRASTRUCTURE REPORT

9.1 The Committee NOTED that the SFC had appointed consultants from Gardiner & Theobald to conduct a feasibility study of the College estate. The Chief Operating Officer informed the Committee that the feasibility study would provide essential baseline information on which the Executive and the Board could make informed decisions on the future of the estate.

9.2 The Committee NOTED that the SFC had defined the scope of the review and the outputs arising, which would include a feasibility study report on options for Engineering and Construction provisions. The Chief Operating Officer advised members that a consolidated report would be considered by the Executive in due course.

9.3 The Committee DISCUSSED the feasibility review and AGREED that the final report should be considered by the Estates Working Group and fed back to the Committee in due course.

10 HUMAN RESOURCES REPORT

Beth Dickson, Interim Head of HR, and Marie Hernandez, Head of HR & OD, joined the meeting

10.1 The Committee NOTED an update on the implementation of the Senior Management Group structure, including a list of all senior management appoints and their start dates. The Interim Head of HR informed the Committee that no appointment had been made to the posts of Head of Commercial Development and Head of Engineering and Built Environment, and advised members that Aspen People Ltd. had been engaged to support the College in its search to secure suitable candidates for the posts.

10.2 The Committee NOTED that a consultation had taken place with both trade unions and affected staff on a proposal to reduce the number of curriculum managers (from 26 to 18) and create 43 new curriculum leader roles. The Interim Head of HR advised the Committee that proposed changes would increase the staff resources available to support and enhance the quality of the curriculum and support for students.

10.3 The Committee NOTED an update on the Voluntary Severance Scheme approved by the Board in May 2016, and the commencement of Phase 2 of the Scheme as part of the

Business Transformation Plan. The Interim Head of HR advised the Committee that an update on approved voluntary severance applications would be provided to the next meeting of the Committee.

- 10.4 The Committee NOTED that the three disputes with EIS-FELA remained ongoing. The Committee AGREED that, should an ongoing dispute progress to Stage 2 of the Avoidance of Dispute Procedure, a panel consisting of Board members should be confirmed by the Chair, Vice Chair and the Chair of the Remuneration Committee to deal with such matters in a timely manner. The Committee Chair advised the Committee that the same three Board members had been nominated by the Board to deal with previous Stage 2 disputes.
- 10.5 The Committee NOTED that the Executive Team had considered the College PVG Policy and wished to continue with the current practice of checking all newly appointed staff, in line with college sector position. The Committee DISCUSSED amendments to the PVG Policy and Procedure and AGREED to endorse its implementation.
- 10.6 The Committee NOTED that Beth Dickson, the Interim Head of HR, would be leaving the College on 30 November following the appointment of the Head of HR & OD. On behalf of the Committee, the Committee Chair thanked Ms Dickson for her contribution to the HR function during a period of significant organisational change.

Beth Dickson and Marie Hernandez left the meeting

Lindsay Towns left the meeting

11 DEVELOPMENTS IN EQUALITIES LEGISLATION

- 11.1 The Committee NOTED a briefing on current and proposed changes to equalities legislation and their impact on college boards' policy and reporting arrangements. The Governance Director informed the Committee that the Scottish Government had (in 2016) amended the specific duties under the Equality Act 2010, to introduce a requirement on listed authorities to publish gender composition on their boards and produce succession plans to increase board diversity.
- 11.2 The Committee NOTED the Scottish Government's support for the 50/50 by 2020 initiative, which aims to address the underrepresentation of women on governing bodies of colleges. The Governance Director informed the Committee that a recommendation would be brought forward to the December Board for the College to sign up to the 50/50 by 2020 initiative, whilst noting the limitations in relation to appointment other than non-executive members (e.g. the Chair, Principal, staff or student members).
- 11.4 The Committee NOTED a statement on board diversity, approved by the Nominations Committee, for inclusion in the Annual Report and Account.

12 ANY OTHER COMPETENT BUSINESS

- 12.1 None.

13 DATE OF NEXT MEETING

13.1 The next meeting of the Policy and Resources Committee will take place on 24 January 2016, in the Boardroom, Milton Road Campus.

Meeting closed at 16:05