Edinburgh College

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POLICY & RESOURCES COMMITTEE

DRAFT MINUTES OF MEETING OF 20 FEBRUARY 2018

14:00 Boardroom, Milton Road Campus

Present: Alan Johnston; Ian McKay (Chair); Niki McKenzie; Nigel Paul; Fiona Riddoch

In attendance: Annette Bruton; Alex Craig; Nick Croft; Jonny Pearson; Ken Rutherford (SFC); Seamus Spencer (SFC); Marcus Walker (Clerk); Alan Williamson

1   WELCOME AND APOLOGIES

1.1   Apologies were received from Stephen Dunn and Ian Young.

1.2   The Chair welcomed Ken Rutherford and Seamus Spencer, SFC Outcome Agreement Managers, to the meeting to consider the transformation plan and other relevant items of business.

2   DECLARATIONS OF INTEREST

2.1   No declarations of interests were received.

3   MINUTES OF PREVIOUS MEETING

3.1   The Committee APPROVED the minutes from 14 November 2017 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 an update on the Business Transformation Plan, which included overviews of progress on the four transformation programmes. The Head of Corporate Development advised the Committee that the majority of projects within the transformation plan had either closed or were in their final stage of analysis. Further to this, a lessons learnt report on the transformation plan was being developed, which would be presented to the Committee in due course, and which would inform the delivery of the Edinburgh College Blueprint 2017-22.

5.1.2 The Committee NOTED that the closure of the Business Transformation Plan would be considered by the SFC and the college in the coming months. The Principal advised the Committee that the projected closure of the BTP programme would take place at the first meeting of the Board in AY 2018/19.

5.1.3 The Committee DISCUSSED progress relating to the Workforce Development Programme, specifically voluntary severance Phase 3 arrangements associated with the 'Teaching & Corporate Staff Realignment' project. The Chief Operating Office confirmed that the college would continue to meet with the SFC to discuss unspent voluntary severance funding from the SFC.

5.2   RECRUITMENT & RETENTION DASHBOARD

5.2.1 The Committee NOTED an update from the Assistant Principal, Recruitment and Retention, on the performance of the college against its 2017/18 recruitment and retention targets. The Assistant Principal informed the Committee that the SFC had set the college an activity target of 187,028 for current academic year, which included 1,714 additional childcare credits.

5.2.2 The Committee NOTED that the college had achieved its core credits target and now aimed to exceed its additional early years credits target and its ESF credits target. The Chair, on behalf of the Committee, congratulated the college on the exceptional progress made towards achieving its 2017/18 credits target.

5.2.3 The Committee NOTED that the SFC were in the process of reviewing credits across the sector, and had asked all colleges to confirm whether they would meet their core credits targets. The SFC Outcome Agreement Manager advised the Committee that should individual colleges fail to meet their core credits target, then additional credits could be distributed across the sector.

5.2.4 The Committee AGREED that the Recruitment & Retention Dashboard should become a freestanding item on future Policy & Resources Committee agendas.

6   EDINBURGH COLLEGE BLUEPRINT 2017-22 UPDATE

6.1 The Committee NOTED an update on the development of the Edinburgh College Blueprint, following the approval of the Strategic Plan 2017-22 by the Board on 19 September 2017.

6.2 The Committee NOTED that during March 2018, Blueprint project concepts would be refined further and governance systems would be formally developed with appropriate terms of reference. The Head of Corporate Development advised the Committee that from April to June 2018, the college anticipated that a selection of key Blueprint projects would be moved forward to the business case stage.

6.3 The Committee DISCUSSED the following aspects of the Blueprint projects:

(i)   The presentation of Blueprint projects within the updated Regional Outcome Agreement (ROA) 2018/19;
(ii)   the need to specifically reference ongoing engagement with stakeholders in project documentation;
(iii) the number of projects and the potential for project merger pre the move to the business case stage;
(iv)   the governance arrangements for Blueprint reports going forward to the Policy & Resources Committee.

6.4 The Committee AGREED that it would continue to receive updates on progress relating to the Blueprint at each meeting. Further to this, the Committee AGREED that the Audit & Risk Assurance Committee, under advisement, should conduct regular reviews of each Blueprint programme to seek further assurances.

The SFC Outcome Agreement Managers left the meeting

7   PEFORMANCE MONITORING DASHBOARD UPDATE

7.1 The Committee NOTED a verbal update on the development of a performance monitoring dashboard for the Board and its committees. The Head of Corporate Development advised the Committee that a wide range of existing performance indicators had been reviewed, utilising information from the ROA and How Good is Our College (HGIOC), and a draft dashboard would be brought forward to the next meeting of the Committee. The performance indicators would be aligned to the five strategic aims of the Strategic Plan 2017/22.

7.2 The Committee NOTED the importance of a performance monitoring dashboard as a tool to monitor strategic trends and highlight potential under performance in key strategic areas of college business.

The Assistant Principal, Recruitment & Retention, left the meeting

8   FINANCE REPORT

The Head of Finance joined the meeting

   8.1   FINANCE REPORT

      8.1.1 The Committee NOTED an update on the mid-year review of the financial position of the college. The Head of Finance advised the Committee that the college expected to achieve its credits targets and its associated grant income.

      8.1.2 The Committee NOTED that the December year-to-date operating position was favorable against the profiled 2017/18 budget deficit, due to largely positive expenditure variance (mostly within staff costs).

      8.1.3 The Committee NOTED that the full year forecast operating deficit, as of December 2017, was £46k adverse to the full year budget. The Head of Finance informed the Committee that this was largely due to the inclusion of additional SAAS income into the 2017/18 budget for Childcare activity. Further to this, the Committee NOTED that forecast Skills Development Scotland income was currently lower than budgeted, due to the Foundation Apprenticeship requirements of the contract - which had proved challenging across the college sector.

      8.1.4 The Committee DISCUSSED the following in relation to the full year forecast operating deficit:

         (i)   The Executive Team's confidence of meeting the full year budget target;
         (ii) the cautious approach of Head of Faculty / Departments in forecasting their costs out-turn;
         (iii) the need for the college to stay on target and, in the worst case scenario, the potential introduction of a spending moratorium.

      8.1.5 The Committee NOTED reassurances from the Executive Team that appropriate actions would be taken, if required, for the college to meet its agreed budget target.

   8.2   MANAGEMENT ACCOUNTS TO DECEMBER 2017

      8.2.1 The Committee NOTED the financial performance of the college as outlined in the Management Accounts to December 2017.

9   HUMAN RESOURCES REPORT

The Head of HR & OD joined the meeting

   9.1   The Committee NOTED that the Employers' Associations continued to negotiate with EIS on the unresolved elements of the 2017 dispute which related to the harmonisation of terms and conditions. The Head of HR & OD informed the Committee that negotiations were at their final stages, with the EIS successfully balloting its members, and further meetings scheduled.

9.2 The Committee NOTED that staff continued to focus on quarterly health and wellbeing initiatives, with Quarter 3 placing a spotlight on positive mental health. The Head of HR & OD advised the Committee that programmes included walking groups, stress reduction techniques, mental health drop in sessions with an occupational health nurse, mental health first aid training and awareness raising training sessions for line managers.

9.3 The Committee NOTED a Human Resources Dashboard for Quarter 2 (2017/18). The Head of HR & OD advised the Committee that the remit of the dashboard had been broadened to include various workforce profile indicators.

9.4 The Committee DISCUSSED the age profile of college employees, which showed that 40% of employees were currently aged 50 or over, with a further 25% aged 40-49 year old. The Head of HR & OD highlighted to members that, in terms of workforce planning, 50% of the college's employees would be aged 50 and over in the next 10 years.

The Head of HR & OD left the meeting

Niki McKenzie left the meeting

10 CAPITAL & INFRASTRUCTURE REPORT

10.1 ESTATES SUB-GROUP 23.01.18

10.1.1 The Committee NOTED the minutes of the Estates Sub-Group held on 23 January 2018. The Chair advised the Committee that the Sub-Group had convened to consider matters relating to the Estates Strategy, including the business case for the future development of the Built Environment & Engineering facilities.

10.1.2 The Committee NOTED an update on the second phase of the SFC funded feasibility study relating to the Built Environment & Engineering facilities, following a meeting with consultants Gardiner & Theobald on 19 January. The Chief Operating Officer informed the Committee that the SFC had delayed the confirmation of further funding for the study until the finalisation of the FE Sector Estates Conditions Survey Report.

10.1.3 The Committee DISCUSSED the Edinburgh College Estates Condition Summary Report, and the opposition between the SFC's preference to resolve college backlog maintenance and the college's wish to strategically consider its future estate.

10.1.4 The Committee NOTED progress relating to a past action concerning the future of education in the west of Edinburgh corridor. The Committee DISCUSSED the level of support for such discussions in the region, and AGREED that a draft public statement, outlining the need for a wider

dialogue on this important matter, should be brought forward to the next meeting of the Committee for review.

10.2 CYBER SECURITY ESSENTIALS UPDATE

10.2.1   The Committee NOTED an update on information security at the college, which included an overview of the current IT environment and cyber security.

10.2.2   The Committee NOTED the progress of the college against the Scottish Government's Public Sector Action Plan on Cyber Resilience. The Chief Operating Officer informed the Committee that the Deputy First Minister would write to college principals in June 2018 to seek assurance that action plans were being implemented appropriately.

10.2.3   The Committee NOTED that the Audit & Risk Assurance Committee would review the college's cyber security and information security, and seek further assurance, at its meeting on 21 February.

11   GENERAL DATA PROTECTION REGULATION (GDPR) UPDATE

11.1   The Committee NOTED an update on progress towards GDPR compliance, in advance of the Regulation coming into effect on 25 May 2018. The Head of Corporate Development advised the Committee of progress towards compliance and outlined the associated risks and challenges in implementing the changes required to achieve compliance.

11.2   The Committee NOTED that the Audit & Risk Assurance Committee would review the college's progress towards GDPR compliance, and seek further assurance, at its meeting on 21 February.

12   HORIZON SCANNING REPORT

12.1   HORIZON SCANNING REPORT

12.1.1   The Committee NOTED that, in December 2017, the SFC disseminated a communications framework for the spending of fixed cash budget priorities (previously termed 'net depreciation'). The Head of Finance outlined to the Committee how fixed cash budget for priorities was forecast to be spent until 2021/22.

12.1.2   The Committee NOTED that the Scottish Government had published its draft spending plans in December 2017, and that the budget would become final once it had gone through the Scottish Parliament's legislative process which was expected to conclude in February 2018. The Head of Finance highlighted the key headlines in the 2018/19 Draft Budget in relation to the college sector, which included increased levels of revenue funding and capital funding.

12.1.3   The Committee NOTED that the Board, following the 2017 Lothian Pension Fund Actuarial Valuation, had agreed an increase in the employer contribution rate for Edinburgh College of 0.3% at its meeting on 15 February. The Committee DISCUSSED the complexity of pension arrangements in the college and university sectors, and the need for continued monitoring of the college schemes by the Board.

12.2 IMPACT OF BREXIT UPDATE

12.2.1   The Committee NOTED a report providing an initial analysis of the implications of Brexit on Edinburgh College business. The Head of Corporate Development advised the Committee that as it was still unclear what the outcome of Phase 2 negotiations would be for Scotland and the rest of the UK, and therefore it was difficult to predict any potential impact on the college's business.

12.2.2   However, the Committee NOTED the areas of potential impact of Brexit on the college's business, identified by the Executive Team as part of their initial analysis. Specifically, the Head of Corporate Development indicated the potential impact on student numbers, EU National staff, commercial business, and direct/indirect EU funding streams.

12.2.3   The Committee DISCUSSED the following with regards to the impact of Brexit:

(i)   The potential training requirement to address labour supply shortages across the region should inward migration decrease significantly after Brexit;

(ii)   the need to provide reassurances to staff and students as a result of the Brexit negotiations;

(iii)   Tier 4 student arrangements and the restrictions placed on students' right to study and work in the UK;

(iv)   the impact of losing EU students and staff on the cultural diversity of the college and size of the college;

(v)   the opportunities for the college through work with the Association of Colleges (AoC) and Collab.

12.2.4   The Committee welcomed the Brexit Report provided by the Head of Corporate Development and AGREED that further updates should be provided once Phase 2 negotiations were complete.

13   ANY OTHER COMPETENT BUSINESS

    13.1 DEPARTURE OF A NON-EXECUTIVE MEMBER

        13.2.1   The Board NOTED that Alan Johnston, would be standing down as a Non-Executive Board Member on 01 March 2018. The Chair, on behalf of the Committee, thanked Mr Johnston for his significant contribution to the Committee his first meeting in October 2014.

    13.2 DEPARTURE OF THE CHAIR OF THE BOARD

        13.2.1   The Board NOTED that the Chair of the Board, Ian McKay, would be standing down as Regional Board Chair on 02 March 2018. The Committee members present thanked the Chair for his massive contribution to Board and its Policy & Resources Committee.

14   DATE OF NEXT MEETING

The next meeting of the Policy and Resources Committee will take place on 22 May 2018, in the Boardroom, Milton Road Campus.

Meeting closed at 17:00