Edinburgh College

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POLICY & RESOURCES COMMITTEE

MINUTES OF MEETING OF 22 MAY 2018

14:00 Boardroom, Milton Road Campus

Present: Ian Diamond (via conference call); Niki McKenzie; Nigel Paul; Fiona Riddoch; Ian Young (Chair)

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

1.2   The Chair welcomed the new Chair of the Board, Sir Ian Diamond, to his first meeting of the Policy & Resources Committee since his appointment by Scottish Ministers.

1.3   The Chair welcomed Ken Rutherford and Seamus Spencer, SFC Outcome Agreement Managers, to the meeting to consider the Business 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 20 February 2018 as an accurate record of the meeting.

4   MATTERS ARISING

4.1   Actions from the previous meeting were complete, overtaken or on the agenda, with the exception of the following:

4.2   *FUTURE OF EDUCATION IN THE WEST OF EDINBURGH CORRIDOR (Minute 10.1.4 / 20.02.18 refers)*

      4.2.1 The Committee NOTED progress relating to a past action concerning the future of education in the west of Edinburgh corridor. The Chair advised the Committee that it had previously agreed that a draft public statement should be brought forward to a future meeting of the Committee.

      4.2.2 The Committee NOTED that the SFC Outcome Agreement Manager welcomed the proposal to discuss the future of education in the region, which tied in strongly with current work being done at a national level around the learner journey. The Chair welcomed the SFC's endorsement and recommended that the Committee continued to review progress on this matter.

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 finalised at the first meeting of the Board in AY 2018/19.

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 following a Senior Management Group away day on 15 March to discuss and critically review all project concepts, project leads were given two weeks to produce final draft copies of their project concept. The Head of Corporate Development advised the Committee that all project concepts were subsequently submitted for review by the Portfolio Board.

6.3   The Committee NOTED that, as of May 2018, the Portfolio Board had agreed that five of the 19 projects required further refinement of their core concept. The Head of

Corporate Development informed the Committee that 14 of the projects would now progress to business case stage.

6.4 The Committee DISCUSSED the following in relation to the implementation of the various Blueprint projects:

(i)   The three levels of governance agreed for the delivery of the Blueprint, and the need to clearly outline the role of the Policy & Resources Committee;

(ii)   the duration of various Blueprint projects and the need to ensure that changing interdependencies are continually reviewed and that, if appropriate, funding is prioritised;

(iii)   the reporting of progress on the implementation of the Blueprint to the Policy & Resources Committee.

6.5 The Committee AGREED that an exception report outlining progress against individual Blueprint projects should come forward to future meetings, for review.

7   RECRUITMENT & RETENTION DASHBOARD

7.1 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.

7.2 The Committee NOTED that the college had achieved all of its activity targets and had, as of 02 May, over delivered by 4,116 credits at no extra cost. The Assistant Principal advised the Committee that this had been achieved through improved recruitment, increased average class sizes, improved retention and an increased number of progressing students. Further to these improvements, the Committee NOTED that the focus of the college would now move towards enhancing achievement and improving the level of partial success.

7.3 The Committee NOTED that in terms of 2018/19 full-time recruitment, which opened on 22 January, the college was on course to hit its annual targets. The SFC Outcome Agreement Manager welcomed progress to date, and encouraged the college to aim towards over recruiting students since there would likely be dropouts between now and the cut-off date for Credit funding in September.

The SFC Outcome Agreement Managers left the meeting

8   PEFORMANCE MONITORING DASHBOARD REPORT

8.1   The Committee NOTED an update on the development of an Edinburgh College Corporate Performance Report. The Head of Corporate Development informed the Committee that as the college worked to improve its approach to information governance, data gathering and the management of information systems it was now appropriate to consider its capacity and approach to business intelligence.

8.2 The Committee NOTED a proposed quarterly Edinburgh College Corporate Performance Report. The Head of Corporate Development advised the Committee that the proposed report would illustrate key performance indicators, and could potentially act as a tool for improved staff and student engagement in strategic performance matters.

8.3 The Committee NOTED the key performance indicators (KPIs) outlined, and DISCUSSED the following points:

(i) The KPIs required by the Board to ensure that the performance of the college was effectively monitored;
(ii) the need to distinguish between in-year reporting and monitoring against the five year Strategic Plan;
(iii) the gauging of the college against others in the Scottish and UK further education sectors;
(iv) the Corporate Performance Report as a management tool, and the number of KPIs included in the draft document that would actually move each quarter, and annual performance indicators;
(v) the need to set apart any report from the Strategic Blueprint and the Regional Outcome Agreement;
(vi) the current performance indicators included in the report and the benefits of conducting an audit of available indicators.

8.4 The Committee welcomed the opportunity to consider the Corporate Performance Report and AGREED that the Chair, Vice Chair, Principal and Head of Corporate Development should consider the draft document in greater detail. Further to this, the Committee AGREED that the Report, once reviewed, should be reviewed at the next Board Development Day in October 2018.

9   HUMAN RESOURCES REPORT

The Head of HR & OD joined the meeting

9.1 The Committee NOTED that the Employers Association had confirmed, in the National Joint Negotiating Committee (NJNC) circulator 01/18, the conclusion of negotiations around outstanding terms and conditions in relation to lecturers from the April 2017 pay agreement.

9.2 The Committee NOTED that at the NJNC on 19 April, a fifth dispute meeting was held regarding the lecturer pay claim effective from April 2017. The Head of HR & OD informed the Committee that both sides were unable to reach an agreement and following a final offer from the employers, a failure to agree was recorded. The Committee NOTED details of the final offer from the Employers Association in comparison to the EIS pay claim.

9.3 The Committee NOTED that a fourth round of voluntary severance had concluded with 69 applications received, 19 of which were approved. The Head of HR & OD advised the Committee that the net savings from approved applications equated to circa £640k. The Committee welcomed the overall achievement of the target agreed with the SFC as part of the Business Transformation Plan.

9.4 The Committee NOTED that following a positively received mental health month in February, and feedback from staff briefings with the Principal, it had been agreed that the Organisational Development and Student Experience departments would work in partnership to facilitate a Staff Conference on 21 June. The Head of HR & OD informed the Committee that the theme of the Conference was 'Working Well: Putting Wellbeing and Positive Mental Health First'.

9.5 The Committee DISCUSSED the work of the college to promote mental health and wellbeing and progress towards the development of a staff and student mental health strategy.

The Head of HR & OD left the meeting

10 FINANCE REPORT

The Head of Finance joined the meeting

10.1 MANAGEMENT ACCOUNTS TO MARCH 2018

10.1.1 The Committee NOTED the financial performance of the college as outlined in the Management Accounts to March 2018.

10.1.2 The Committee NOTED that the March year to date operating position was £300k was favourable compared to the phased budget. The Head of Finance advised the Committee that the main positive variances related to staffing costs and SFC grants, whilst adverse variances related to various tuition fees and commercial income.

10.1.3 The Committee NOTED that the income of the Nursery was forecast to be a further £50k below target due to lower recruitment and increased agency costs due to sick absence. The Committee DISCUSSED the key issues affecting Nursery recruitment and AGREED that the Executive undertake a further review of performance to be presented to the Committee in the new academic year.

10.2 INDICATIVE COLLEGE BUDGET 2018/19

10.2.1 The Committee NOTED an Indicative College Budget 2018/19, and a supporting presentation by the Head of Finance, which outlined the budgeting process, budgeting pressures, additional costs and saving, impact on cash-flow, risks and mitigations, and sensitivity analysis.

10.2.2 The Committee NOTED that the Indicative College Budget covered all known matters likely to affect the 2018/19 College Budget, in particular; the £1.15m within the SFC grant towards national pay bargaining, harmonisation of pay increments and a provision of 1% for cost of living increases. The Head of Finance advised the Committee that the budget also included recurring savings from the Phase 4 Voluntary Severance Scheme.

10.2.3 The Committee DISCUSSED the following matters related to the Indicative College Budget 2018/19:

(i) The need to invest in the Strategic Blueprint going forward;

(ii) the achievement of the commercial budget through the enhancement of the college's bespoke commercial offer;

(iii) the forecast repayment of £500k to the SFC in 2018/19 for advanced Business Transformation Plan cash required to meet liabilities in 2016/17 following a reduction in credits;

(iv) the value of Childcare credits and the budget pressures applied to the college for delivering on Scottish Government policy;

(v) the continued work of the Executive Team to ensure that a balanced budget is presented to the Board for approval.

(vi) the change in financial focus of the SFC and Audit Scotland, from the statutory income and expenditure account, to a College's underlying financial position (a 'bridge' between government accounts and statutory accounts).

10.2.4 The Committee AGREED to endorse the Indicative College Budget for 2018/19 (subject to identifying a further £97k saving) to the Board for consideration on 12 June.

10.3 FINANCIAL FORECAST 2018/19 TO 2022/23

10.3.1 The Committee NOTED a five year financial forecast aligned with the 2018/19 Indicative College Budget, to help members assess the future financial position of the college. The Chief Operating Officer advised the Committee that the financial forecast was based against assumptions outlined by the SFC in 2017/18, as the 2018/19 financial assumptions had not yet been provided by the SFC.

10.3.2 The Committee DISCUSSED the following points in relation to the financial forecast:

(i) The implications of Brexit and the challenges it creates for financial forecasting and sensitivity analysis;

(ii) the significant saving made by the college over recent years, in comparison with others in the sector;

(iii) the underlying operating surplus for the years 2018/19 to 2022/23, and the forecast levels of cash flow.

10.3.3 The Chair, on behalf of the Committee, thanked the Finance Team for the opportunity to review the financial forecast information and sensitivity analysis provided.

The Head of Finance left the meeting

11   CAPITAL & INFRASTRUCTURE REPORT

11.1   The Committee NOTED a verbal update from the Chief Operating Officer on the continued development of the Edinburgh College Estates Strategy and outcomes from the SFC Condition Survey.

12   HORIZON SCANNING REPORT

12.1   The Committee NOTED a proposal from the Head of Corporate Development on the further enhancement of a horizon scanning report for the college. The Head of Corporate Development advised the Committee that the outlined report aimed to enable the Board and its committee, the Executive Team and the Senior Management Group to co-produce information that would improve the strategic planning of the college.

12.2   The Committee NOTED that the proposed horizon scanning report would be structured around the five strategic aims of the Strategic Plan 2017-2022 and Blueprint. The Head of Corporate Development informed the Committee that the report would be developed through the ECSA, the Senior Management Group and the Executive, prior to its presentations as a standalone item to each committee of the Board for comment and refinement. A final version of the horizon scanning report would then be brought forward to the Board for discussion and (if appropriate) agreement on requisite strategic actions.

12.3   The Committee DISCUSSED the proposal, and AGREED that it would welcome the opportunity to review the newly developed horizon scanning report at its next meeting.

13   REVIEW OF COMMITTEE OPERATION 2017/18

13.1   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.

13.2   The Committee AGREED that its operation was compliant with its terms of reference, as outlined in 'Part 1' of the evaluation form.

13.3   The Committee DISCUSSED its performance in relation to its performance monitoring, strategic roles, decision-making and relationship. Members AGREED that the Committee Chair should work with the Clerk to the Board to outline further the strategic role of the Committee going forward, prior to the finalised evaluation form recirculation to the Committee for approval.

14   ANY OTHER COMPETENT BUSINESS

14.1   None.

15   DATE OF NEXT MEETING

15.1   To be confirmed.