



EDINBURGH COLLEGE BOARD OF MANAGEMENT

MINUTES OF MEETING OF 24 MARCH 2015

14:15 Boardroom, Granton Campus

Present: Colin Arthur; Kellie Bradford; Sandra Cairncross; Jan Cutting; Guy Hughes; Alan Johnston; Elaine Lee; Ian McKay (Chair); Niki McKenzie; Elaine McMahon; Nigel Paul; Robin Stimpson; Jeroen Van Herk; Ian Young.

In attendance: Su Breadner; Annette Bruton; Bob Cowan; Penny Davis; Ray McCowan; Julie McCran; Pauline MacPherson; Marcus Walker (Clerk); Craig Wilson.

1 WELCOME AND APOLOGIES

- 1.1 Apologies had been received from Martin Crewe and Diane Erasmuson.
- 1.2 The Chair welcomed the newly appointed Principal, Annette Bruton, to the meeting as an attendee.

2 BOARD MEMBERSHIP

- 2.1 The Board NOTED that the College had formally reviewed its non-executive and staff Board membership, to align with the requirements of the Post-16 Education Act (2013).
- 2.2 The Board NOTED the newly appointed Non-Executive membership, as approved by the Cabinet Secretary for Education and Lifelong Learning, and the recently elected staff Board members.
- 2.3 The Chair congratulated all Non-Executive and Staff Board Members on their appointment.

3. DECLARATIONS OF INTEREST

- 3.1 The Board NOTED that its Members are required to declare interests in the proceedings of the College (if appropriate) prior to each meeting of the Board and its committees.
- 3.2 No declarations of interest were received.

4 MINUTES OF PREVIOUS MEETING

- 4.1 The Board APPROVED the Minutes from 20 February 2015 as an accurate record of the meeting.

5 MATTERS ARISING

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

5.1.1 TOP RISK REGISTER (minute 9.2.2/09.12.14 refers)

The Board NOTED that the Audit & Risk Assurance Committee had agreed changes to the Top Risk Register (TRR) to illustrate risk severity. The Clerk confirmed that an updated TRR would be considered at the next meeting of the Audit & Risk Assurance Committee in June.

6 *Paragraph 6 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*

7 PRINCIPAL AND EXECUTIVE REPORT

7.1 STRATEGY AND PLANNING

7.1.1 *Paragraph 7.1.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*

7.1.2 The Board NOTED outcomes from the Board of Management's strategic planning event on 17 March 2015, which focussed on the advancement of the College strategy. The incoming Principal, Annette Bruton, had shared her vision for the future at the event, and Dame Ruth Silver and Robin Ashton provided an overview of the changing FE sector and the Glasgow Colleges' experience of meeting market needs and strategic positioning.

7.1.3 The Board NOTED that the second Rapid Improvement Exercise (RIE) had commenced the implementation of agreed recommendations, in order to ensure an improved student experience from enquiry to enrolment. The Interim Principal informed the Board that RIE provided a strong example of project working across the College, involving both staff and students.

7.1.4 The Board NOTED the recent success of the College in winning a number of staff and student awards over February and March. The Chair commended all the award winners on their success.

7.2 FINANCE

7.2.1 MANAGEMENT ACCOUNTS TO FEBRUARY 2015

The Board NOTED the financial performance of the College, as highlighted in the Financial Accounts to February 2015.

The Board NOTED an unexpected gap in associate degree income, as highlighted in the mid-year review. The Vice Principal Educational Leadership provided background on associate degrees (as promoted by the SFC), and the College's efforts to backfill students in-order to covers costs.

The Board DISCUSSED the information provided in the management accounts to monitor control and savings, with Members indicating that it would be beneficial to receive an in-year financial breakdown to monitor the accounts more effectively. The Board AGREED that the Policy & Resource Committee would consider this matter further at its next meeting.

7.2.2 APPLICATION OF NET DEPRECIATION

The Board NOTED that the SFC had proposed a solution to the shortfall in student support funding, to allow colleges to use the cash allocated through 'net depreciation' for this purpose, and to allow colleges to spend this cash to meet specific funding challenges. The Board NOTED that while it had been calculated that net depreciation would provide a positive outcome across the sector as a whole, the effect on individual college regions would be varied, and in certain cases would impact negatively on a number of colleges.

The Financial Controller provided the Board with an overview of the impact of the change in application of net depreciation on the College's funds over the next four academic and financial years. The Board NOTED the adverse impact on the College's Income and Expenditure Account and associated Net Current Assets and Reserves.

The Board DISCUSSED the following aspects of the application of net depreciation and its impact on the College and sector's financial sustainability:

- (i) the financial pressures that the proposed application of net depreciation would place on the college sector over future years;
- (ii) the adverse impact of the application of net depreciation on Edinburgh College, based on financial forecasting, which could potentially leaving the College with only seven days cash reserves;
- (iii) the College's end of year audit, and concerns around a reoccurring operating deficit;

The Board AGREED that the concerns of its Members should be communicated to the Colleges Scotland Chief Executive by the Chair, with a view to receiving a letter of support from the SFC and Audit Scotland regarding reoccurring operating deficit across the sector, and colleges' end of year audit positions.

The Board AGREED that the Audit & Risk Assurance Committee, in-light of recent changes in the sector, should consider the co-option of an additional member with public service expertise.

7.2.3 STUDENT SUPPORT FUNDING

The Board NOTED that historically the legacy colleges had operated a mixture of EMA and bursary funding, and following the establishment of Edinburgh College this approached had been consolidated.

The Board NOTED an alternative partial solution to the shortfall in student support funding (outlined under Paragraph 7.2.2), whereby the age limit for EMA could be extended from 18 to 20, allowing students aged 19 or 20 to be paid from the EMA funds, rather than from bursary funds. The Board DISCUSSED the proposed changes to funding, and NOTED that there would be no adverse impact on the College's financial position.

The Board AGREED that a more detailed overview of this matter, including an initial Equality Impact Assessment, would be considered by the Policy & Resources Committee. The Board AGREED that there should be no detriment to continuing students at the College who receive a bursary.

7.3 *Paragraph 7.3 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*

7.4 MONITORING OUR PERFORMANCE

7.4.1 The Board NOTED a summary of the Key Performance Indicators (KPIs) for March 2015, and the additional actions to be taken – where appropriate. The Board DISCUSSED the KPIs provided, and need for information to be provided to the Board which provides an overview of past, present and forecasted performance.

7.4.2 The Board NOTED a WSUMs report to March 2015, which provided a breakdown and timeline of the year end forecast. The Board NOTED that the general reason for modest recruitment and low average class size in 2014-15 were due to the poor conversion rate of applications to enrolment. The Vice Principal, Educational Leadership, informed the Board that low class sizes resulted in more activity to secure the WSUMs target and thus higher than expected staff costs, adding to the financial pressures facing the College. The Board AGREED that it would be beneficial to receive more information on the cost ratios to meet the WSUMs target.

The Board NOTED that the College was still on track to achieve its WSUMs target for 2014-15. The Board AGREED that the Executive should provide a report on WSUMs activity for 2015/16 to the next Board meeting in May.

7.5 RISK

7.5.1 The Board NOTED an RIDDOR Report highlighting activity from 01 January to 19 March 2015. The Board AGREED that comparison data on future RIDDOR Reports should provide equivalent year to date information.

7.6 PAPERLESS BOARD

7.6.1 The Board NOTED a proposal to introduce a paperless board system developed by the Innovations and Development Team. The Deputy Principal highlighted the limited added value of an external paperless system, when compared with the College's existing functionality.

7.6.2 The Board AGREED to the implementation of an in-house paperless board system for the 2015/16 academic year.

8 EDINBURGH COLLEGE STUDENTS' ASSOCIATION

8.1 The Board NOTED a report on ECSA's activities and upcoming projects, introduced by the Student President.

8.2 The Board NOTED the winners of the Student Sabbatical elections announced on 13 March 2015, these were:

President	Jeroen van Herk
VP Education	Arran McMillan
VP Woman	Zoe Croy
VP Welfare	Jenni Behan

The Student President confirmed that the elected Sabbatical Officers terms of office would commence from 01 July 2015. The Board congratulated the Student President on his re-election, and praised the high-level of student engagement with the process.

8.3 The Student President informed the Board that discussions with EIS-FELA relating to the evaluation of courses through student reviewers were ongoing, following concerns raised through its members. The Board NOTED that ECSA would meet with EIS-FELA representatives again to discuss the matter further.

8.4 The Board NOTED that the ECSA Block Grant Submission would be presented to its next meeting. The Board AGREED that ECSA should provide an accompanying paper reflecting on their practice over the past two years.

9 CLOSED ITEMS OF BUSINESS

9.1 MINUTES OF PREVIOUS MEETING

The Board APPROVED the Closed Minutes from 20 February 2015 as an accurate record of the meeting.

10 COMMITTEE REPORTS

10.1 ACADEMIC COUNCIL

10.1.1 MINUTES 27.02.12

The Board NOTED the Academic Council minutes from the meeting held on 27 February 2015.

The Board NOTED that the Committee had received an excellent presentation on professional development in learning and teaching, which highlighted key areas for future investment.

10.1.2 CURRICULUM STRATEGY

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

The Board NOTED that the Curriculum Strategy had now moved into a period of consultation with both internal and external stakeholders. The Committee Chair informed the Board that feedback on the Strategy should be submitted to the Vice Principal, Academic Leadership, prior to further consideration by the Committee.

The Board NOTED the importance of pulling together a comprehensive range of baseline analytical evidence to support decision-making, in a similar manner to work conducted by the Glasgow Colleges, to meet the needs of the region through effective curriculum planning.

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

10.2 AUDIT & RISK ASSURANCE COMMITTEE

10.2.1 MINUTES 05.03.15

The Board NOTED the Audit & Risk Assurance Committee minutes from the meeting held on 05 March 2015.

10.2.2 TOP RISK REGISTER

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

The Acting Committee Chair informed the Board that the Audit & Risk Assurance Committee would aim to draw together elements of both risk registers, and create stronger links between the risk registers, management accounts and MOP information.

10.2.3 FINANCIAL REGULATIONS 2015

The Board NOTED the Edinburgh College Financial Regulations, which were endorsed by the Audit & Risk Assurance Committee. The Acting Committee Chair highlighted changes to the Regulations in-light of the ONS Reclassification, SFC Financial Memorandum and recent developments to the College's own governance structures.

The Board NOTED that the internal auditors had reviewed the Financial Regulations and the Committee's Terms of Reference, against the Financial Memorandum and the Audit Committee Handbook, with number of minor recommendations incorporated into both documents. The Board APPROVED the updated Audit & Risk Assurance Committee Terms of Reference.

The Board APPROVED the updated Financial Regulations, with minor amendments to the supporting text outlining the remits of each committee.

10.2.4 INTERNAL AUDIT REPORT

The Board NOTED the findings of an internal audit report, considered by the Audit & Risk Assurance Committee at its last meeting, which reviewed the utilisation of student activity data to inform the College's strategic and curriculum planning, and to monitor the delivery of student numbers targets.

The Board NOTED how the College's 2013/14 WSUMs performance had adversely affected outcomes in 2014/15, due to overreliance on individual centres to counter under delivery in other areas. The Interim Principal informed the Board that the internal audit had been conducted in January 2015, and subsequently a considerable amount of progress had been made towards achieving the annual WSUMs targets.

The Chair welcomed the internal audit report, and the reassurances sought by the Committee to ensure the implementation of an effective process.

10.3 CAPITAL & INFRASTRUCTURE COMMITTEE

The Board NOTED that the next meeting of the Capital & Infrastructure Committee would take place on 27 April 2015.

10.4 COMMERCIAL & INTERNATIONAL COMMITTEE

The Board NOTED that the next meeting of the Commercial & International Committee would take place on 13 May 2015.

10.5 NOMINATIONS & ENGAGEMENT COMMITTEE

The Board NOTED that the next meeting of the Nominations & Engagement Committee would take place on 01 May 2015.

10.6 POLICY & RESOURCES COMMITTEE

10.6.1 *Paragraph 10.6.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*

10.6.2 *Paragraph 10.6.2 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*

10.7 REMUNERATION COMMITTEE

The Board NOTED that the next meeting of the Remuneration Committee was to be scheduled in June 2015.

11 GOVERNANCE

11.1 GOVERNANCE UPDATE

- 11.1.1 The Board NOTED a proposed interim committee membership, as outlined by the Governance Director.
- 11.1.2 The Board NOTED the changes to membership across each of the seven committees. The Chair highlighted positive developments, including the mix of new and established Board Members on each Committee, and the fact that two committee chairs were female Board Members.
- 11.1.3 The Board APPROVED the continuation of Ian Young, as Vice Chair.
- 11.1.4 The Board NOTED that the Policy & Resources Committee's remit covered all aspects of financial policy. At the request of the Student President, the Board AGREED that financial policy matters directly affecting students (e.g. fee waivers) would, if appropriate, initially be considered by the Academic Council.
- 11.1.5 The Board APPROVED the proposed committee membership, and NOTED that oversight of membership would return to the Nominations & Engagement Committee.

11.2 CALENDAR OF EVENTS

- 11.2.1 The Board NOTED an update from the Governance Administrator on upcoming events.
- 11.2.2 The Board NOTED that 'curricular visits' had been well received across the College, and that future visits would seek to include more support staff.

Elaine Lee left the meeting.

12 NATIONAL REPORT

- 12.1 The Board NOTED that the Regional Chairs had sought a meeting with the Scottish Government and SFC to align governance across the sector.
- 12.2 The Board NOTED that the NJNC were expected to circulate the new RPA shortly, which would allow the College to consult with its trade unions. The Chair informed the Board that Colleges Scotland would also set out national bargaining terms shortly, subject to agreement by the SFC.

13 ANY OTHER COMPETENT BUSINESS

None.

14 DATE OF NEXT MEETING

The next meeting would be held at 14:00hrs on 05 May 2015 at the Milton Road Campus.

15 CLOSED BUSINESS

No Items of business were considered by the Board as part of a closed session.

Meeting closed at 17:25