



POLICY & RESOURCES COMMITTEE

MINUTES OF MEETING OF 26 AUGUST 2015

14:00 Boardroom, Milton Road Campus

Present: Sandra Cairncross; Jan Cutting (by teleconference); Alan Johnston; Ian McKay; Nigel Paul; Robin Stimpson; Ian Young (Chair).

In attendance: Annette Bruton, Penny Davis; Pauline MacPherson (Clerk); Jane Robinson; Alan Williamson; Craig Wilson.

1 WELCOME AND APOLOGIES

- 1.1 Apologies were received from Ken Rutherford and Seamus Spencer (SFC Outcome Agreement Managers).
- 1.2 The Committee Chair welcomed the two Executive Members and congratulated them on their new roles (Chief Operating Officer and Deputy Principal / VP People, Performance & Planning).

2 DECLARATIONS OF INTEREST

- 2.1 *Paragraph 2.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 33, Commercial Interests and the Economy.*
- 2.2 The Clerk declared an interest in the update on Job Evaluation in the Human Resources report.

3 MINUTES OF PREVIOUS MEETING

- 3.1 POLICY & RESOURCES COMMITTEE MINUTES (03.06.15)
 - 3.1.1 The Principal advised that the environmental scan is currently being finalised by Greg Irvine and the Director of Strategic Projects (Curriculum) and will be discussed in full at the Board Strategy Day on 20 October.
 - 3.1.2 The Board APPROVED the Minutes from 03 June 2015 as an accurate record of the meeting.
- 3.2 CAPITAL & INFRASTRUCTURE COMMITTEE MINUTES (09.06.15)

3.2.1 It was NOTED that the heading on p.2 should be changed to 'Monitoring Our Performance'.

3.2.2 The Committee Chair advised that all functions of the Capital & Infrastructure Committee would now be undertaken by the Policy & Resources Committee.

4 MATTERS ARISING

4.1 MATTERS ARISING REPORT

4.1.1 Actions from the previous meeting were complete, overtaken or on the agenda.

4.1.2 The Clerk confirmed that the Board Development Day would take place on Tuesday 20 October, 2015.

4.2 REVIEW OF COMMITTEE OPERATION

4.2.1 The Committee APPROVED the review of committee operation.

5 TERMS OF REFERENCE

5.1 The Chair of the Board of Management advised that the P&R Committee now had a very wide reaching remit and asked that, if required, the Committee had the authority to set up short life working groups to look at specific issues. The Governance Director confirmed that the Committee can set up short life working groups.

5.2 It was NOTED that the quorum should be changed to 'not fewer than four members'.

5.3 The Committee APPROVED the terms of reference with the above amendment.

6 PROJECT DEVELOPMENT REPORT

6.1 DEVELOPMENT PLAN REPORT

6.1.1 Deputy Principal / VP People, Performance & Planning advised that the majority of milestones were now complete in the Development Plan and our SFC Development Manager was content with the progress achieved so far.

6.1.2 Deputy Principal / VP People, Performance & Planning AGREED to add failure to achieve student numbers as a specific risk.

6.1.3 The Committee Chair requested that the Executive present an update on Full Time enrolments (to date) at the next Board Meeting.

6.1.4 The Chair of the Board of Management advised that the Board needed reassurance regarding the number of student enrolments. The Principal

AGREED to send out a report to the Board (w/b 31 August and w/b 7 September) showing current enrolment figures.

6.1.5 The Chair of the Board of Management reported that the SFC will visit the College in a year's time to conduct a second post-merger review. This review will also look at our progress with the Development Plan. Deputy Principal / VP People, Performance & Planning advised that the College meets with their Regional Outcome Manager every three weeks and a record will be kept of all progress made against targets agreed by the SFC throughout the year.

7 HUMAN RESOURCES REPORT

Jane Robinson, Head of Human Resources, joined the meeting

7.1 *Paragraph 7.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*

7.2 *Paragraph 7.2 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*

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.*

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7.5 *Paragraph 7.5 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.*

7.6 Head of Human Resources advised that policy development is now underway further to the signing of the RPA in June.

7.7 *Paragraph 7.7 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs..*

7.8 The Committee welcomed reassurance that the end date for all policy development would be confirmed at a future Committee meeting.

Jane Robinson, Head of Human Resources, left the meeting

Jan Cutting joined the meeting by teleconference

8 CAPITAL AND INFRASTRUCTURE REPORT

8.1 *Paragraph 8.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 33, Commercial Interests and the Economy.*

- 8.2 *Paragraph 8.2 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 33, Commercial Interests and the Economy.*
- 8.3 *Paragraph 8.3 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 33, Commercial Interests and the Economy.*
- 8.4 The Committee APPROVED the creation of a short life working group to consider the wider College estates strategy and help focus the discussions on the College's estate at the Board Strategy Day in October. The Committee AGREED that the former Chair of the Capital & Infrastructure Committee, Robin Stimpson, and the Vice Chair would be involved the working group, along with members of the Executive.
- 8.5 Deputy Principal / VP People, Performance & Planning advised that it would be useful for the Board to see the high level options estates paper previously presented to the Capital & Infrastructure Committee in June 2015.
- 8.6 *Paragraph 8.6 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 33, Commercial Interests and the Economy.*
- 8.7 *Paragraph 8.7 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 33, Commercial Interests and the Economy.*
- 8.8 *Paragraph 8.8 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 33, Commercial Interests and the Economy.*
- 8.9 Chief Operating Officer advised that there is now a climate change reporting requirement duty on public bodies which means the College needs to act sustainably (both economically and environmentally). The Chief Operating Officer AGREED to clarify the expectations required for the College on climate reporting and report back at a future meeting.

9 FINANCIAL REPORT

9.1 MANAGEMENT ACCOUNTS TO JUNE 2015

- 9.1.1 The Chief Operating Officer updated Members on the management accounts to June 2015 and advised that there are three liabilities which will affect the College's finances:
- FRS 17
 - SSAP24 (Accounting for enhanced pension costs)
 - Revaluation of Fixed Assets
- 9.1.2 Chief Operating Officer advised that more structured management meetings have been organised to keep a closer track on spending and forecasting through the year.
- 9.1.3 The Principal advised that VP, Curriculum & Quality, Heads of Service and the Chief Operating Officer have been working to ensure that there is a correct staffing complement in place for all courses throughout the year so that the College does not need to recruit additional staff.

9.1.4 Chief Operating Officer advised Members that the College has to fund the recent voluntary severance scheme from current funding, and not from additional grant as previously anticipated. As a result, this has exerted additional financial pressure in achieving a balanced budget in 2015/16.

9.1.5 The Committee AGREED that an item should be added to the risk register identifying the need for all staff to have a general understanding of the current financial position of the College.

9.1.6 Chief Operating Officer advised that this year's accounts will cover 16 months as the College is returning to an academic financial year, although there is also a requirement to produce Resource Accounts for the SFC covering the period 1 April to 31 March.

9.2 FINANCIAL PERFORMANCE MONITORING TEMPLATE

9.2.1 Chief Operating Officer presented a new financial performance monitoring template and asked Members if they were happy for this template to be incorporated as a preface to the management accounts.

9.2.2 Nigel Paul suggested that one or two key performance indicators should be added to the template concerning credits and staff information. Deputy Principal / VP People, Performance & Planning added that it would also be useful to have student numbers placed against targets.

9.2.3 The Committee APPROVED the financial performance monitoring template.

9.3 DRAFT BUDGET 2015/16

9.3.1 Chief Operating Officer advised that a significant amount of work had been undertaken on budgeting for salaries and associated course delivery in 2015/16. VP, Curriculum & Quality has estimated an appropriate staffing level to cover 200k credits and the budget has been built around 213k credits to accommodate any potential challenges.

9.3.2 Chief Operating Officer advised that the College needs to move to priority based budgeting (PBB) to address current and future deficits caused by external influences such as funding cuts, pension/NIC increases, auto-enrolment and self-funded VS scheme – PBB will be a 2-3 year programme.

9.3.3 Chair of the Board of Management advised that all staff should be involved in priority based budgeting.

9.3.4 Chief Operating Officer presented to members three different budget options to address the £1.1m deficit and advised that the preferred option was number two. Option two asks the College to find 50% of the savings immediately and then identify the other 50% of the savings throughout the year.

9.3.5 Sandra Cairncross advised that the College needs to maximize both recruitment and retention in order to ensure that it does not lose any income. The Principal

added that some of ECSA's funding is specifically targeted towards helping the College to recruit and retain students.

9.3.6 The Committee AGREED to recommend option two and put forward for approval at the next Board meeting.

10 ANY OTHER COMPETENT BUSINESS

None.

11 DATE OF NEXT MEETING

The next Policy and Resources Committee Meeting will take place on Thursday 26 November, 1300-1600 in the Boardroom, Granton Campus.

Meeting closed at 16:25