



## **POLICY & RESOURCES COMMITTEE**

### **MINUTES OF MEETING OF 23 AUGUST 2016**

**15:00 Boardroom, Milton Road Campus**

**Present:** Stephen Dunn; Alan Johnston; Ian McKay; Nigel Paul; Robin Stimpson; Ian Young (Chair).

**In attendance:** Annette Bruton; Alex Craig; Penny Davis; Sarah-Jane Linton; Jonny Pearson; Ken Rutherford (SFC); Lindsay Towns; Marcus Walker (Clerk); Craig Wilson.

#### **1 WELCOME AND APOLOGIES**

- 1.1 Apologies were received from Sandra Cairncross.
- 1.2 The Committee Chair welcomed Ken Rutherford, SFC Outcome Agreement Manager, to the meeting to consider progress on the Business Transformation Plan.
- 1.3 The Committee Chair welcomed the newly appointed Depute Principal, Alex Craig, to the meeting as an observer. The Committee NOTED that the new Depute Principal would be joining the College's Executive Team on 01 October.

#### **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 June 2016 as an accurate record of the meeting.

#### **4 MATTERS ARISING**

##### **4.1 MATTERS ARISING REPORT**

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

## 4.2 REVIEW OF COMMITTEE OPERATION 2015/16

- 4.1.2 The Committee NOTED a finalised version of the Review of Committee Operation 2015/16, as agreed by Members outwith the meeting.

## 5 BUSINESS TRANSFORMATION PLAN

### 5.1 STRATEGIC PROGRAMME BOARD EXCEPTION REPORT

- 5.1.1 The Committee NOTED an update on the outcomes of the Strategic Programme Board held on 20 July.
- 5.1.2 The Committee DISCUSSED the format of the exception report and AGREED that further annotation should be included within the report, in order to provide a more detailed overview of the Strategic Programme Board's considerations.
- 5.1.3 The Committee DISCUSSED progress on the on-going 'Gateway-Style Review' and NOTED that feedback from reviewers would be presented to the next meeting of the Committee in November.
- 5.1.4 The Committee NOTED an overview of the scope of Scott-Moncrieff's review of the transformation plan, and an update on the drafting of the final report.
- 5.1.5 The Committee DISCUSSED the following aspects of the Scott-Moncrieff audit:
- (i) the initial feedback presented to the Executive and members of the SFC on 16 August;
  - (ii) the need to ensure that any delays to the drafting of the final report did not slow progress on the transformation plan;
  - (iii) the Outcome Agreement Manager's contentment with progress on the transformation plan to date, and the process of reviewing the audit report with a view to granting further funding.
- 5.1.6 The Committee AGREED that further reassurances should be sought from the SFC that any delays to the audit timeline would not impact on the funding of the transformation plan.
- 5.1.7 The Committee AGREED that a final draft of the Scott-Moncrieff audit would be circulated to the Board for comment, prior to its final approval.

### 5.2 RECRUITMENT & RETENTION DASHBOARD

- 5.2.1 The Committee NOTED an update from the Assistant Principal (Recruitment & Retention) on the College's performance against its 2016/17 recruitment and credit targets. As of 23 August, 96.5% of full-time places offered had been accepted.
- 5.2.2 The Committee NOTED key recruitment landmarks over the summer period, and positive attendance recorded at recent welcome events over August. The

Assistant Principal informed the Committee that the first class attendances of 2016/17, where attendance would be captured and fed into future reporting, would commence on 29 August.

5.2.3 The Committee DISCUSSED and AGREED that future student recruitment reports to the Board and its committees would be reformatted to include:

- (i) Columns setting out the number of applicants: offered; accepted; enrolled; and, retained;
- (ii) a clearer indication of the College's position against the targets for each of the areas outlined above (i);
- (iii) a legend, which states where over recruitment has been factored against enrolment targets;
- (iv) the allocation of credits against individual departments, and their performance against these targets.

5.2.4 The Committee DISCUSSED student retention and the steps taken by the College to improve students' induction and the effectiveness of attendance monitoring systems. The Assistant Principal informed the Committee that the core skills profiling, to assess whether a student was studying on an appropriate level course, and improvements to Quality were two other means by which retention would be improved.

5.2.5 The Committee Chair, on behalf of the Committee, thanked the Assistant Principal and his colleagues for the amount of work done to develop and enhance the College's student recruitment information.

***Sarah-Jane Linton, Jonny Pearson and Ken Rutherford (SFC) left the meeting.***

***Lindsay Towns joined the meeting.***

## **6 FINANCE REPORT**

### **6.1 FINANCE REPORT**

6.1.1 The Committee NOTED an update on the transfer of activity to SRUC and its effect on the 2016/17 Budget. The Chief Operating Officer confirmed that the Executive Team had on numerous occasions sought a satisfactory resolution to this issue from senior staff within the SFC, with the most recent communication sent to the SFC's Interim Chief Executive Officer and Director of Finance on 07 July.

6.1.2 The Committee DISCUSSED the removal of credits by the SFC and its impact on associated funding. The Committee AGREED that it would be appropriate to support the Executive on this matter with a letter from the Chair of the Board to the SFC.

6.1.3 The Committee NOTED an update on the Resource Return submitted to the SFC on a monthly basis during the final quarter of the financial year. The Committee DISCUSSED the inclusion of 'Less Loan Repayments' for the first time in the

Summary Resource Return and its potential to distort the College's current trading cash position.

## 6.2 MANAGEMENT ACCOUNTS TO JUNE 2016

6.2.1 The Committee NOTED the financial performance of the College as outlined in Management Accounts to June 2016.

## 6.3 COLLEGE BUDGET 2016/17

6.3.1 The Committee NOTED the College Budget 2016/17 and a supporting presentation by the Head of Finance, which outlined positive developments, potential risk and (within the budgeting process) recent/ongoing work to improve financial controls.

6.3.2 The Committee DISCUSSED the following matters related to the Budget 2016/17:

- (i) the inclusion of the national pay awards for 2016/17, and the potential need to find additional funds should future pay awards be granted;
- (ii) the need to appropriately educate budget holders within departments;
- (iii) the arrangements in place to annual appraise the performance of budget holders.

6.3.3 The Committee NOTED that the budget had been set at a realistic deficit level of £3.8m, in line with the Business Transformation Plan, to take account of reductions in core funding and income directly related to lower student activity. Members DISCUSSED the adverse financial position and the willingness of the SFC to support a significant deficit budget of this nature.

6.3.4 The Committee AGREED that it should be formally recorded that the SFC and the College had maintained a dialogue on the level of deficit and the budgeting process, and that the SFC were aware that funding to cover the deficit would be required as part of the transformation plan.

6.3.5 The Committee APPROVED the College Budget 2016/17 for recommendation to the Board on 20 September. The Committee Chair informed members that the budgeting process for 2017/18 would be brought forward to the meeting of the Committee on 30 May 2017, in order to avoid any delay in preparations for the next academic year.

## 6.4 LENNARTZ VAT CLAIM

6.4.1 The Committee NOTED that following a recent court case decisions for Edinburgh College and other colleges, in relation to there been no legislative basis to pay Lennartz VAT repayments, a tender for shared legal representation was undertaken by APUC. The Head of Finance informed the Committee that following this process, Ernest & Young LPP had been confirmed as the successful tenderer.

6.4.2 The Committee NOTED a letter of engagement, drafted by Ernest & Young, to assist Edinburgh College and other colleges in preparing a Lennartz voluntary disclosure. The Head of Finance informed the Committee that should Ernest & Young be successful and HMRC agreed to pay the College and/or nullify future payments regarding the output tax paid on its Lennartz arrangement, a fee would be payable to Ernest & Young accordingly.

6.4.3 The Committee APPROVED the letter of engagement for signing by the Chief Operating Officer.

***Lindsay Towns left the meeting***

**7 CAPITAL AND INFRASTRUCTURE REPORT**

7.1 The Committee NOTED that construction and property consultants, Gardiner & Theobald, had been commissioned by the SFC to prepare a needs based assessment of the College's construction and engineering facilities in order to identify priority projects for capital funding. The Chief Operating Officer confirmed that a remit and timescale for the work would be agreed before September.

7.2 The Committee DISCUSSED the high-level review of estates conducted by Turner & Townsend in June 2015, which provided a wider focus on the College's estate, and how it could be utilised as part of the proposed needs based assessment.

7.3 The Committee AGREED that the Estates Working Group, chaired by Robin Stimpson, should meet to consider the proposed needs based assessment, the Turner & Townsend report and any financial incentives related to the location of construction and engineering facilities in the region.

**8 ORGANISATIONAL AND STAFFING REPORT**

8.1 The Committee NOTED an update on the implementation of the Executive and Senior Management Structure, including a list of senior post holders who had their applications for voluntary severance approved.

8.2 The Committee NOTED that the Voluntary Severance Scheme approved by the Board and endorsed by the SFC had concluded. The Deputy Principal informed the Committee that the College was only in a position to approve 32 applications within the grant allocated by the SFC.

8.3 The Committee NOTED that the three disputes with EIS-FELA summarised at the last meeting of the Committee remained ongoing.

8.4 The Committee NOTED that on 16 August, a ballot by the UNISON national office of its members had resulted in 83% voting in favour of strike action as a result of the failure to reach a pay agreement in 2016. The Deputy Principal informed the Committee that a contingency group, consisting of members of the senior management team, would be set-up to consider how to mitigate the impact of the proposed strike action.

## **9 PUBLIC BODIES SOCIAL IMPACT PLEDGE**

- 9.1 The Committee NOTED a Scottish Government initiative designed to tackle inequalities and reform how the public sector delivers services. The Governance Director informed the Committee that the Public Bodies Social Impact Pledge would be considered by the Senior Management Group on 15 September, with the aim to develop three commitments to improve the College's current operations and/or policies.
- 9.2 The Committee AGREED to endorse the approach proposed by the Executive, with a view to working the 'three commitments' into current best practice.

## **10 ANY OTHER COMPETENT BUSINESS**

- 10.1 None.

## **11 DATE OF NEXT MEETING**

- 11.1 The next meeting of the Policy & Resources Committee will take place on 15 November 2016, in the Boardroom, Milton Road Campus.

## **12 CLOSED ITEM(S) OF BUSINESS**

- 12.1 CLOSED MINUTES 14.06.16

- 12.1.1 The Committee APPROVED the closed minutes from 14 June 2016 as an accurate record of the meeting.

***Meeting closed at 16:55***