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## **POLICY & RESOURCES COMMITTEE**

### **MINUTES OF MEETING OF 24 JANUARY 2017**

**14:00 Boardroom, Milton Road Campus**

**Present:** Alan Johnston; Nigel Paul; Fiona Riddoch; Robin Stimpson; Ian Young (Chair).

**In attendance:** Annette Bruton; Jon Buglass, Alex Craig; Penny Davis; Jonny Pearson; Ken Rutherford (SFC); Seamus Spencer (SFC); Lindsay Towns; Marcus Walker (Clerk); Richard Whetton; Alan Williamson.

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

- 1.1 Apologies were received from Stephen Dunn and Ian McKay
- 1.2 The Committee Chair welcomed Ken Rutherford and Seamus Spencer, SFC Outcome Agreement Managers, to the meeting to consider the Business Transformation Plan.
- 1.3 The Committee Chair welcomed Dr Fiona Riddoch, the newly appointed Chair of the Academic Council, to her first meeting of the Committee.

#### **2 DECLARATIONS OF INTEREST**

- 2.1 No declarations of interests were received.

#### **3 MINUTES OF PREVIOUS MEETING**

- 3.1 The Board APPROVED the minutes from 15 November 2016 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:

#### 4.1.1 CONSOLIDATED ACTION PLAN

The Committee NOTED that, following a review of the Business Transformation Plan by Scott-Moncrieff, a combined action plan drawing together recommendations/actions from external audits and reviews had been consolidated further. The Head of Corporate Development informed the Committee that members would have opportunity to review the consolidated action and progress made at a future meeting.

## 5 BUSINESS TRANSFORMATION PLAN

### 5.1 BUSINESS TRANSFORMATION PLAN REPORT

5.1.1 The Committee NOTED an update on the Business Transformation Plan, which demonstrated evidence of progress in all programme areas. The Head of Corporate Development advised the Committee that the transformation plan was undergone a brief health check, following his arrival at the College in October 2016, and outlined a number of initial actions arising from the work.

5.1.2 The Committee NOTED the establishment of a Programme Management Office (PMO), with a dedicated Portfolio Manager, whose role it would be to establish clear consistency in the use of programme and project discipline. The Head of Corporate Development informed the Committee that the College aimed to have a Portfolio Manager in place by the first quarter of 2017.

5.1.3 The Committee NOTED Voluntary Severance Scheme savings through the transformation plan, and the actual figures achieved following the completed first and second phases of the Scheme.

### 5.2 CURRICULUM PLANNING

5.2.1 The Committee NOTED a presentation on curriculum planning and design from the associated Assistant Principal. The Assistant Principal outlined to the Committee what the College departments would look like going forward, and highlighted areas of development, efficiency and commercialisation within the curriculum.

5.2.2 The Committee welcomed the presentation, and DISCUSSED the following points:

- (i) The quantifiable targets around curriculum efficiency, particularly with regards to class sizes;
- (ii) the rationale behind the sizing of departments and how this linked to key initiatives such as STEM;
- (iii) the third phase of the voluntary severance scheme and its links to curriculum planning going forward;
- (iv) the feedback provided to Curriculum Managers on curriculum changes through the performance review process.

5.2.3 The Committee NOTED that representatives of the SFC had received the same presentation on 13 December 2016, and were 'very encouraged' by the progress outlined by the Assistant Principal.

5.2.4 The Committee AGREED that the presentation would be circulated to members for future reference. The Committee Chair also advised the Assistant Principal that it may be appropriate to provide a similar update to the Academic Council on curriculum planning and design at its next meeting.

***Nigel Paul joined the meeting***

**5.3 RECRUITMENT & RETENTION DASHBOARD**

5.3.1 The Committee NOTED an update from the Assistant Principal, Recruitment & Retention, on the performance of the College against its 2016/17 recruitment and credits targets. The Assistant Principal informed the Committee that the College had achieved 58,111 HE credits and therefore had exceeded its European Social Fund (ESF) Target.

5.3.2 The Committee NOTED that following a series of workshops with Curriculum Managers the Executive had generated an improved curriculum offer for semester 2, which had led to an increase in both potential students and projected credits.

5.3.3 The Committee welcomed the positive projections outlined, and DISCUSSED the following matters:

- (i) the Assistant Principal's confidence of achieving the AY 2016/17 targets;
- (ii) the improvement in early retention figures against AY 2015/16, and the positive feedback received by the Academic Council in the results of the 2016 Induction Survey;
- (iii) the date in early March by which early retention figures for semester 2 will be known by the Executive.

5.3.4 The Committee NOTED positive feedback from the SFC Regional Outcome Agreement Manager on the College's progress towards its credit targets, whilst recognising that its achievement remained a work in progress. Further to this, the Regional Outcome Agreement Manager stressed the critical importance of the College securing its full credit-based funding.

**6 DRAFT REGIONAL OUTCOME AGREEMENT (ROA)**

***Sarah-Jane Linton, Head of Policy, Performance & Planning, joined the meeting***

6.1 The Committee NOTED the first draft of the College's Regional Outcome Agreement (ROA) 2017-20. The Head of Policy, Performance & Planning informed the Committee that the initial draft was currently with the SFC for comment and a further draft would be considered by the Policy & Resources Committee prior to its sign-off by the Board in June.

- 6.2 The Committee NOTED the limited growth forecast and in credit-based delivery as a prudent, strategic move to ensure that the Business Transformation Plan delivery created a solid platform for growth in 2020-23. Further to this, the Head of Policy, Performance & Planning informed the Committee of progress and planning around individual priority measures within the extant ROA.
- 6.3 The Committee DISCUSSED the initial draft of the ROA 2017-20 and AGREED that as a strategic approach the College should focus on its sustainability, with a long-term view to accommodating future growth. Further to this, the Committee AGREED to endorse the performance indicators outlined with the draft ROA 2017-20 document
- 6.4 The Committee NOTED that the SFC were content with the key elements of the draft ROA 2017-20, and would be providing feedback to the College formally in the coming days. The Committee AGREED that the SFC should be provided with all relevant Policy & Resources Committee papers in future, to allow for appropriate matters beyond the transformation plan to be discussed – if required.
- 6.5 The Committee Chair welcomed the opportunity to consider the first draft of the ROA 2017-20, and informed members that a final draft would be reviewed at a future meeting of the Committee.

***Sarah-Jane Linton left the meeting***

## **7 FINANCE REPORT**

***Lindsay Towns, Head of Finance, joined the meeting***

### **7.1 FINANCE REPORT**

7.1.1 The Committee NOTED that the Scottish Government had published its Draft Budget for 2017-18 on 15 December 2016. The Head of Finance advised the Committee that the Scottish Government had agreed to increase current levels of revenue and capital funding for the college sector for 2017-18. The Committee NOTED that Budget would not become final until it had gone through the Scottish Parliament's legislative process, which was likely to conclude in February.

7.1.2 The Committee NOTED developments within the Finance Department, including progress on the transfer of banking services to RBS, as agreed by the Board on 13 December 2016.

### **7.2 MANAGEMENT ACCOUNTS TO NOVEMBER 2016**

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

7.2.2 The Committee NOTED that cashflow projections had shown month-end balances at the two critical months of March and July 2017 as particularly low.

The Head of Finance advised the Committee that cashflow during these period would be closely managed by the Finance Team.

7.2.3 The Committee NOTED that Student Support Funds amounting to £1.7m would be recovered by the SFC in the current year. The Head of Finance informed the Committee that this relates to cash received in 2015/16 for that year's allocation which is now being repaid. The Committee NOTED the cashflow statement in the management accounts illustrated that there would be sufficient funds to allow this payment.

### 7.3 TUITION FEES 2017/18

7.3.1 The Committee NOTED a proposal for the 2017/18 tuition fees, as endorsed by the Executive. The Head of Finance advised the Committee that the paper proposed not to increase course fees in relation to credit based provision, as no increases from SQA and SAAS had been put forward. Further to this, a market review against other colleges and local universities (with the exception of some commercial, managing agent and international course fees, minutes 7.2.2 and 7.2.3 refer) had indicated that course fees were in line with the sector.

7.3.2 The Committee NOTED that based on competitor's analysis, commercial tuition fees could bare a percentage increase as the College fee was lower than equivalent local providers of such courses. The Head of Finance highlighted the four proposed courses where fees were proposed to increase in 2017/18.

7.3.3 The Committee NOTED that, following a benchmarking exercise, the International Team had recommended no increase in full-time tuition fees for 2017/18. However, the Committee NOTED that NQ Part-Time Higher fees for International had been out of step with International Foundation Programme fees for the last few years, and an 11.8% increase was proposed. The Head of Finance advised the Committee that the increase was the second step of a several year process to bring fees closer in line with the Foundation suite.

7.3.4 The Committee DISCUSSED the following aspects of the proposed 2017/18 tuition fees:

- (i) The impact of inflation on courses where tuition fees remained unchanged;
- (ii) the thorough Equality Impact Assessment undertaken by the Finance Team;
- (iii) the need to ensure that in future tuition fees are presented to the Committee earlier in the academic year.

7.3.5 The Committee APPROVED the 2017/18 tuition fees as outlined by the Executive.

***Lindsay Towns, Head of Finance, left the meeting***

## 8 PARTNERSHIP WORKING REPORT

### *Marie Hernandez, Head of HR & OD joined the meeting*

- 8.1 The Committee NOTED that on 13 December 2016, representatives of EIS-FELA, UNISON and College management had presented their annual reports on progress towards partnership working to the Board. The Committee Chair advised members that the Committee had subsequently been asked to consider an approach, put forward by the Principal, to improve and reshape partnership working at the College.
- 8.2 The Committee NOTED that the considerable amount of change at the College over recent years had impacted on the ability of both senior management and the recognised trade unions to work in partnership – towards more effective workplace relationships for all. The Principal highlighted that senior management were committed to making the College successful as an employer, and proposed the following key actions:
- (i) A reconstituted partnership forum, jointly chaired by the Principal and a trade union official elected to the role;
  - (ii) a training and development programme designed and delivered in partnership, to cover such matters as handling grievance, disciplinary matters, complaints etc.;
  - (iii) a refreshed staff engagement strategy that provides opportunities for all staff to get involved in the development of key areas of the College;
  - (iv) a refreshed internal communications strategy that would ensure that information to all staff is timely, helpful and ensures that all staff are well informed on factual and policy matters.
- 8.3 The Committee NOTED that it may also be necessary to bring in the support of a qualified mediator and/or experienced conciliator to help shape the creation of an organisational council with both recognised trade unions.
- 8.4 The Committee welcomed the proposal outlined by the Principal, and DISCUSSED the following points:
- (i) the need for a partnership forum to consider matters on a strategic level, whilst maintaining operation relations through existing monthly meetings;
  - (ii) the appropriateness of the term ‘partnership forum’ and possible alternatives;
  - (iii) the need for HR to measure the success of the various approaches employed with trade unions, especially where there are financial implications.
- 8.5 The Committee AGREED to endorse the proposal put forward by the Principal and, in support of this, AGREED to the engagement of an experienced conciliator to help shape partnership working for the future.

## **9 ORGANISATIONAL & STAFF REPORT**

### **9.1 HUMAN RESOURCES REPORT**

9.1.1 The Committee NOTED an update on the implementation of the Senior Management Group (SMG) Structure, following the appointment of a Head of Commercial Development and a Head of Engineering and Built Environment. The Head of HR & OD informed the Committee that all SMG level appointments had been made and all members of the new team would be in post by 01 April 2017.

9.1.2 The Committee NOTED that phase two of voluntary severance had ended with 26 employees leaving the College via this process. The Head of HR & OD advised the Committee that preparations were now being made for phase three of the process, with senior management liaising with HR to confirm their needs in terms of staffing to deliver the curriculum and also to reflect upon earlier phases in terms of process.

9.1.3 The Committee NOTED that three disputes with EIS-FELA remained ongoing. The Head of HR & OD informed the Committee that the three point dispute regarding pay had progressed to stage 2 of the avoidance of dispute procedures and a meeting was due to take place on 30 January.

9.1.4 The Committee DISCUSSED the amount of work related to human resources and the implications for the HR & OD Team. The Committee welcomed reassurances from the Head of HR & OD that her team was capable of making the required efficiencies in order to achieve its workload demands.

### **9.2 EMPLOYMENT POLICIES AND PROCEDURE UPDATE**

9.2.1 The Committee NOTED the current status of all employment policies and procedures at the College. The Head of HR & OD informed the Committee that post-merger there was an attempt to create one set of employment policies and procedure for all, however, this work stalled as there was a difference in opinion between trade unions and the College as to whether this was a position of negotiation or consultation. As a result, the Board agreed that the College would unilaterally observe the Telford College's policies and procedure as 'host college' for the merger.

9.2.2 The Committee NOTED the confusion that using the host college policies and procedures caused the HR & OD Team and those reading and applying elements of the documentation.

9.2.3 The Committee NOTED that the Executive had agreed to establish an internal committee responsible for the review of all college employment policies and procedures, which would be chaired by a member of the Executive Team. In addition, two members of management and two representatives from each recognised trade union would join the committee.

9.2.4 The Committee NOTED that the group would meet to discuss and agree a process for policies and procedure development and document management,

and agree a catalogue of employment policies and procedures for the College. The Head of HR & OD informed the Committee that once this was agreed, priorities would be identified and work would commence to review all policies and procedures to create one set for all.

9.2.5 The Committee DISCUSSED the approach, and AGREED to endorse proposal put forward by the Executive.

***Marie Hernandez left the meeting***

## **10 CAPITAL & INFRASTRUCTURE REPORT**

***Chris McDougall, Head of Resources & Facilities, joined the meeting***

- 10.1 The Committee NOTED an initial high-level feasibility review of the Edinburgh College Estate undertaken by consultants Gardiner & Theobald and architects Reiach and Hall. The Chief Operating Office advised the Committee that funding for the feasibility study had been provided by the SFC, to help support improvements in campus efficiency and utilisation across the College. Further to this, the study would also highlight where engineering and construction could be located within the campuses, and any associated displacement.
- 10.2 The Committee NOTED a brief overview of a presentation provided to the Estates Working Group, a short-life group set-up by the Committee, and the Executive on future estates options and benchmarking information on square meterage in comparison to the Glasgow College new build.
- 10.3 The Committee NOTED that the ambition of the College to continue to be a successful and efficient education provider in the region was strongly linked to its ability to implement a robust estates strategy.
- 10.4 The Committee DISCUSSED the following matters relating to the initial high-level feasibility review:
- (i) The need to minimise the impact of any future estates development on the student experience;
  - (ii) the current condition of the College's engineering and construction facilities;
  - (iii) the need to seek clarification from the SFC on the next steps, including the funding available for the development of the College Estate.
- 10.5 The Committee AGREED that the College should work with the SFC towards developing the next stages of the feasibility review, and that the Committee Chair should report to the Board on progress in this area.

***Chris McDougall left the meeting***

## **11 GOVERNANCE REPORT**

### **11.1 DEVELOPMENT PLANNING FRAMEWORK**

11.1.1 The Committee NOTED the Board must submit its independent consultant's final evaluation report and a development plan to the SFC. The Governance Director advised the Committee that the development plan provides a means to implement recommendations within the report, whilst taking account of the legal and regulatory framework within which the Board operates.

11.1.2 The Committee NOTED a proposal to align planning to the three-yearly external validation cycle, with annual review and monitoring of progress against objectives and targets for each year with the three-year period. The Governance Director outlined the three main areas for development, as highlighted through the evaluation process, and recommendations drawn from sector wide guidance.

11.1.3 The Committee DISCUSSED the proposed development plan and AGREED to endorse the framework to the Board at its next meeting.

### **11.2 DRAFT GENDER REPRESENTATION ON PUBLIC BOARDS (SCOTLAND) BILL**

11.2.1 The Committee NOTED a consultation on Draft Gender Representation on Public Boards (Scotland) Bill, and the College's draft response.

11.2.2 The Committee DISCUSSED the draft response and APPROVED its submission to the Scottish Government.

## **12 ANY OTHER COMPETENT BUSINESS**

### **12.1 PUBLIC AUDIT AND POST-LEGISLATIVE SCRUTINY COMMITTEE**

12.1.1 The Committee NOTED that the Public Audit and Post Legislative Committee had received a letter requesting further information, following the Principal and Chief Operating Officers attendance at the Committee on 17 November 2016.

12.1.2 The Committee NOTED that the Principal would provide a verbal update to the Board on the College response at its next meeting on 24 February.

### **12.2 BOARD DEPARTURES**

12.2.1 The Committee NOTED that Robin Stimpson, the Chair of the Remuneration Committee, would be stepping down from the Board in March - following a considerable period of service to Edinburgh College. The Committee Chair, on behalf of the Committee, thanked Mr Stimpson for his contribution to the Policy & Resources Committee over the past two years.

12.2.2 The Board NOTED that the Governance Director, Penny Davis, had taken voluntary severance and would be leaving the College on 31 January 2017. The

Committee Chair thanked the departing Governance Director for her service to the Committee and the Board.

**13 DATE OF NEXT MEETING**

13.1 The next meeting of the Policy and Resources Committee will take place on 18 April 2017, in the Boardroom, Milton Road Campus.

***Meeting closed at 16:05***