

## BOARD OF MANAGEMENT

### AGENDA

A meeting of the Board of Management will be held at 14:00 hours on Tuesday 13 June 2023 in the Boardroom, Milton Road Campus.

		Lead Speaker	Paper
1	WELCOME & APOLOGIES	Chair	
2	DECLARATIONS OF INTEREST	Chair	
3	<a href="#">MINUTES OF THE PREVIOUS MEETING</a> <i>for approval</i>	Chair	A
4	MATTERS ARISING REPORT	Chair	B
5	PRINCIPAL & CHIEF EXECUTIVE REPORT	A Cumberland	C
<i>Item 5 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs</i>			
6	COMMITTEE BUSINESS		
6.1	<u>Planning &amp; Resources Committee</u>		
	P&R Committee Annual Report 2023	A Killick	D <b>Attached</b>
	Recruitment, Retention & Credits Dashboard	J Pearson	E
	Management Accounts Summary to April 2023	A Williamson	F <b>Attached</b>
	Indicative College Budget 2023/24 <i>for approval</i>	A Williamson	G
<i>The Recruitment, Retention &amp; Credits Dashboard is exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs</i>			
<i>The Indicative College Budget is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication</i>			
7	EDINBURGH COLLEGE STUDENTS' ASSOCIATION		
7.1	ECSA Impact Report 2022/23	D Elder	H <b>Attached</b>
7.2	ECSA Budget and Planning Report 2023/24	A Wilson	I
7.3	Constitution of Edinburgh College Students' Association	A Wilson	J
8	GOVERNANCE REPORT		
8.1	Governance Update	M Walker	K <b>Attached</b>
8.2	Board Annual Appraisals Report 2023	Chair	L <b>Attached</b>

8.3	Evaluation of the Chair Report 2023	A Killick	M
9	ANY OTHER COMPETENT BUSINESS		
9.1	Ambassador Award Nomination 2023	Chair	
9.2	Board Reflection / Feedback	Chair	
10	CLOSED ITEM(S) OF BUSINESS		
10.1	Remuneration Committee Minutes 01.06.23	I McLaughlan	N
11	FOR INFORMATION		
11.1	<a href="#">Planning &amp; Resources Committee Minutes 16.05.23</a>		O
11.2	<a href="#">Learning, Teaching &amp; Student Experience Committee Minutes 19.05.23</a>		P
11.3	<a href="#">Audit &amp; Risk Assurance Committee Minutes 24.05.23</a>		Q
11.4	<a href="#">Corporate Development Committee 08.06.23</a>		R
11.5	Health & Safety: RIDDOR Report		S
12	FOR CIRCULATION		
12.1	<a href="#">Top Level Risk Register April 2023</a>		
12.2	<a href="#">Board of Management: Agenda Planner 2023/24</a>		
13	DATE OF NEXT MEETING: 26 September 2023		

Title	Planning & Resources Committee Annual Report 2022/23
Appendices	None.
Disclosable under FOISA	Yes.
Primary Contact	Marcus Walker, Board Secretary
Date of Production	06.06.23
Action Required	Information / Discussion

**1. RECOMMENDATIONS**

The Board are asked to note and discuss the points raised within the Planning & Resources Committee Annual Report.

**2. PURPOSE OF REPORT**

This Report provides both a summary of the activities of the Planning & Resources Committee over the past 12 months and its future direction.

In June 2021, the Board of Management agreed that all business committees of the Board should provide an annual update to members - within the quarterly meeting cycle.

**3. DETAIL**

**3.1 Operation of the Committee**

**3.1.1 Operation / Report to the Board**

The Planning & Resources Committee met four times during the academic year 2022/23 to provide strategic oversight of the College's financial, estates and infrastructure, staffing matters (including staff wellbeing), and to advise the Board of Management on any other business of particular importance or complexity. To reflect the role of the Committee, which has oversight for planning and resources related to areas outlined previously, it was agreed by the Board of Management on 28 March 2023 that the Committee's title would change from '*Policy & Resources*' to '*Planning & Resources*'.

The minutes of each meeting of the Committee have been reported to the Board for its consideration.

The Planning & Resources Committee has discharged its responsibilities under its terms of reference. Further to this, the Committee was quorate at each meeting.

### 3.1.2 **Membership / Attendance**

The membership of the Committee consists of at least five non-executive members and one Student Board Member. Over the past 12 months the core membership of the Planning & Resources has included Alex Killick (Vice Chair of the Board / Committee Chair), Nora Senior (Chair of the Board), David Elder (Student Board Member) and the following Non-Executive Members:

	<b>Non-Executive Membership</b>			
<b>To</b> <b>13.12.22</b>	Lesley Drummond	Ann Landels*	Gwen Raez	Jeanette Stevenson
<b>13.12.22</b> <b>&gt; 01.03.23</b>	Lesley Drummond	Ross Laird	Ian McLaughlan	Gwen Raez
<b>From</b> <b>01.03.23</b>	Sue Cook	Ross Laird	Ian McLaughlan	Gwen Raez

*\*Ann Landels acted as chair of the P&R Committee until 13 December 2022.*

Alan Williamson, as Chief Operating Officer, acts as Executive Lead for the Planning & Resources Committee.

Audrey Cumberford (Principal & Chief Executive), Jonny Pearson (Vice Principal Education & Skills), Sue Clyne (Director of HR & OD), Ian Deed (Director of Finance & Estates) and Marcus Walker (Board Secretary) all attended meetings of the Committee in the academic year 2022/23.

At its meeting on 16 May 2023, the Committee undertook a self-assessment, based on a questionnaire created by the College Development Network. It was content with the operation of the Committee, and it identified several development points.

### 3.2 **Strategic Role**

The Planning & Resources Committee considers and approves, where appropriate, the development and review of strategies relevant to the Committee's purpose.

At all its meetings in 2022/23, the Committee received a Principal & Chief Executive Report which provided an update on key strategic development within the college sector, including:

- The implementation of Phase 2 of the Business Case.
- The Scottish Government's Spending Review and its potential negative impact on the financial sustainability of the College and wider sector.
- The continued development of College Employers Scotland and the financial impact of potential pay awards.

In 2022/23, the Committee also reviewed progress on the following College strategies: (i) the Digital Strategy; (ii) the Environmental Sustainability Strategy and (iii) a Procurement Strategy. The Committee received an annual update on each of these strategies at both its September and November 2022 meetings.

The Committee's strategic role also includes the preparation of the annual College Budget for approval by the Board. On 21 February 2023, the Committee received a financial forecast update from the Chief Operating Officer outlining the year-on-year savings required to maintain a breakeven position - considering the flat cash position outlined in the Scottish Government's Spending Review. The financial forecast was subsequently presented to the Board of Management on 28 March 2023 as part of a wider discussion on financial sustainability.

At each of its meetings, the Planning & Resources Committee receives a standing report on matters relating to human resources and organisational development and has maintained an overview of ongoing industrial relations at the College. The HR Report, provided by the Director of HR & OD, includes an update on the reshaping of the curriculum, the National Job Evaluation exercise, and the development of an Employee Survey.

The Committee receives a regular reportage on matters relating to capital and infrastructure and continues to monitor the College's strategic planning towards estates/infrastructure.

### **3.3 Performance Monitoring**

#### **3.3.1 Finance**

The Committee continues to monitor performance through the monthly Management Accounts which are considered at each meeting. The Management Accounts includes a Financial Performance Monitoring Template which outlines performance in the following areas: Credits, staff numbers (FTE), commercial & international contracts, cashflow/balance, and Government Returns.

The Committee, at its meeting on 17 November 2022, received the Financial Forecast Return (FFR) submitted by the College to the SFC in October 2022. It was noted that the FFR was in line with the College's strategic financial planning and consistent with SFC guidance and assumptions.

On 17 November 2022, the Committee considered and approved a tuition fees proposal for 2022/23, which included up-to-date marketing and benchmarking information with other colleges to ensure the College remained competitive and income was optimised. A 2% increase to commercial courses was agreed, along with a small increase in full-time international fees - which had remained unchanged for several years due to low student numbers and uncertainty caused by the Covid-19 Pandemic.

### **3.3.2 Recruitment, Retention and Credits**

The Committee at every meeting receives a recruitment, retention and credits update which includes a breakdown of performance against full-time, part-time and credit targets.

In 2022/23, the Committee were informed that although overall enrolment figures were comparable with previous years, there had been a decrease in the number of full-time enrolments when compared to the previous academic year. The decrease in full-time enrolments was shown to directly correlate with a reduction in the number of credits compared to the academic year 2021/22.

The Vice Principal Education & Skills has highlighted to the Committee that issues related to enrolments and credits were sector-wide, and that the College continued to work closely with the SFC to mitigate the drop in full-time enrolments and safeguard credit funding.

### **3.3.3 Human Resources Dashboard**

At each of its meetings, the Planning & Resources Committee received a dashboard outlining key employment data, including headcount, FTE, Turnover, and an absence summary. In addition to this, the Committee has monitored the completion of statutory and mandatory training across the College.

### **3.3.4 Other Business**

In addition to its standing reports, the Committee agreed to review specific areas of performance during the academic year – including Health & Safety. The Planning & Resources Committee now receives the minutes of the Health & Safety Committee, chaired by the Chief Operating Officer, at each of its meetings.

## **3.4 Conclusion**

The Planning & Resources Committee on 16 May 2023 noted that it was satisfied with its current operations and the quality of reports it receives from senior management.

The Chair of the Planning & Resources Committee shall verbally outline key points for noting by the Board of Management at its meeting on 13 June 2023.

## **4. IMPACT AND IMPLICATIONS**

It is good practice to monitor all areas of performance that can impact on the College's viability.

## **5. LINKS TO STRATEGIC PLAN AND KPIS**

The activities and key priorities described in this report are linked to the following strategic aim: An Effective and Efficient College.

<b>Title</b>	<b>Management Accounts Summary to April 2023</b>
<b>Appendices</b>	Appendix 1: Management Accounts to April 2023 - Executive Summary
<b>Disclosable under FOISA</b>	Yes
<b>Primary Contact</b>	Alan Williamson, Chief Operating Officer
<b>Date of Production</b>	01.06.23
<b>Action Required</b>	Information / Discussion

**1. RECOMMENDATIONS**

The Board of Management is asked to discuss and note the Management Accounts to April 2023.

**2. PURPOSE OF REPORT**

The Board of Management is asked to review the management accounts at each meeting, to assess the college's current financial performance.

**3. DETAIL**

Appendix 1 contains an Executive Summary of the Management Accounts to April 2023.

A detailed version of the Management Accounts to April 2023 can be accessed via the Board Portal [here](#), along with Summarised Financial Performance Summary ([see here](#)).

**4. IMPACT AND IMPLICATIONS**

The Board has oversight for the financial sustainability of the College, and it is considered good practice to review all areas of performance that can impact on the College's financial viability.

**5. LINKS TO STRATEGIC PLAN AND KPIS**

The activities and key priorities described in this report are linked to the following strategic aims and key performance indicators:

Strategic Aims:

- An Effective and Efficient College.

Key Performance Indicators:

- Commercial Income
- Total Credits
- Financial Adjusted Operating Position
- Staff Costs as a Percentage of Income.

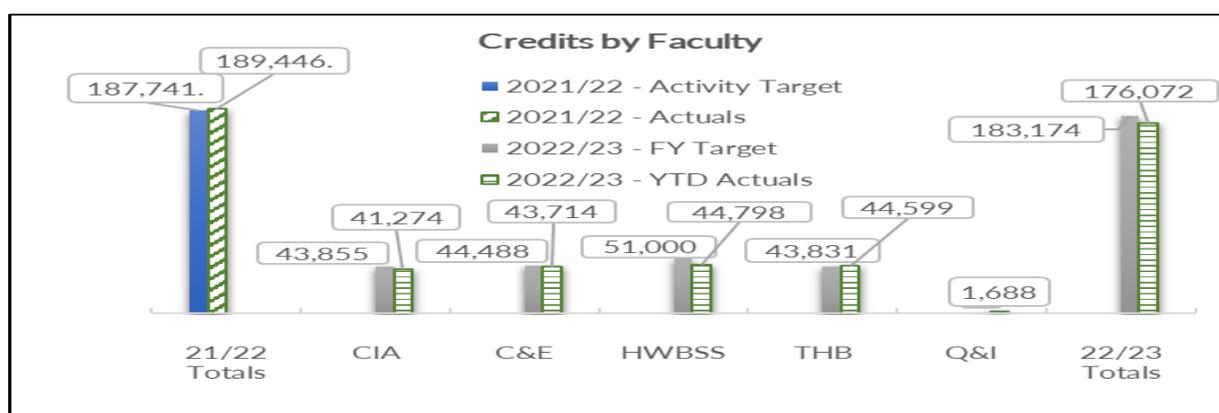
The following report provides a summary of the financial position of  
Edinburgh College at 30<sup>th</sup> April 2023

### CREDITS AND SFC GRANTS

Edinburgh College's core activity target for academic year 2022/23 totals **183,174 credits** (4,567 credits lower than 2021/22). European Social Funding (ESF), which was previously received separately from the SFC, ended in 2021/22 and is now subsumed within core activity.

The above credits total includes a target of 692 credits for foundation apprenticeships and a target of 1,154 credits for the one-off 1% funding uplift. There are no credit targets or funding for deferred student places in 2022/23 (2021/22: 3,492 credits - £1m funding).

The College has achieved **176,072** credits as at 15<sup>th</sup> May 2023. This is lower than at the same date in prior years largely due to a decrease in full-time enrolments. The "Credits by Department" table (below) shows a comparison of faculty performance for the year against full year (fy) targets. Latest projections indicate that credits remain broadly on track to achieve a minimum 98% of full year targets (ie within the SFC credit threshold of circa 2%, which is in line with last year), with no funding claw-back.



### ADJUSTED OPERATING POSITION

	<u>Revised</u> <u>Annual</u> <u>Budget</u> <u>2022/23</u>	<u>YTD</u> <u>Budget</u> <u>2022/23</u>	<u>YTD</u> <u>Actuals</u> <u>2022/23</u>	<u>YTD</u> <u>Variance</u> <u>2022/23</u>	<u>Previous</u> <u>YTD</u> <u>2021/22</u>	<u>FY</u> <u>Forecast</u> <u>2022/23</u>
As per SFC Measurement	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<b>I&amp;E Operating Position</b>	<b>(3,080)</b>	<b>(2,869)</b>	<b>(2,647)</b>	<b>223</b>	<b>(1,217)</b>	<b>(3,080)</b>
<b>Add:</b>						
Depreciation net of deferred capital grant release	2,868	2,453	2,453	-	2,147	2,868
<b>Deduct:</b>						
Loan repayments and payments against provisions	839	629	629	-	826	839
<b>Adjusted Operating Position</b>	<b>(1,051)</b>	<b>(1,045)</b>	<b>(823)</b>	<b>223</b>	<b>103</b>	<b>(1,051)</b>

The College's adjusted operating position (AOP) excludes non-cash items included in the I/E account (depreciation net of deferred grant) but includes capital loan repayments and payments against provisions (excluded from the I/E account). The AOP starting budget was a deficit of £1,575k, which improved in August following the relinquishment of 17 FTE vacant lecturing posts (saving a potential £524k of VS payments). The revised annual AOP budget is now £1,051k (based largely on indicative phase 2 VS payments payable before 31 July 2023).

## INCOME AND EXPENDITURE

	<u>Annual Budget 2022/23</u>	<u>YTD Budget</u>	<u>YTD Actuals</u>	<u>YTD Variance</u>	<u>Previous YTD</u>	<u>FY Forecast</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Inc						
Funding Council Grants	51,958	33,777	33,827	50	35,421	52,141
Tuition Fees, Commercial & Other	15,382	13,567	13,615	48	12,348	15,334
Job Retention Scheme (JRS) Income	-	-	-	-	7	-
Deferred Income	2,688	2,075	2,075	-	2,104	2,688
<b>Total Income</b>	<b>70,028</b>	<b>49,419</b>	<b>49,517</b>	<b>98</b>	<b>49,880</b>	<b>70,163</b>
Staff Costs	50,397	35,925	35,902	23	36,743	51,079
Other Costs	16,138	11,714	11,612	102	10,023	15,391
Depreciation	5,557	4,528	4,528	-	4,251	5,557
Exceptional Support Costs	1,016	122	122	-	79	1,216
<b>Total Expenditure</b>	<b>73,108</b>	<b>52,289</b>	<b>52,164</b>	<b>125</b>	<b>51,096</b>	<b>73,243</b>
<b>Operating (Deficit) / Surplus pre SSAP24 &amp; pension revaluation adjustments)</b>	<b>(3,080)</b>	<b>(2,869)</b>	<b>(2,647)</b>	<b>223</b>	<b>(1,217)</b>	<b>(3,080)</b>

The College's annual budget operating position is a deficit of £3,080k, which results in an adjusted operating deficit budget of £1,051k for the year (refer para 1.2). The operating position to April shows a deficit of £2,647k against a profiled budgeted deficit of £2,869k, a positive variance of £223k to date. The main variances are:

- A favourable variance in SFC other grants of £50k (largely ESF credit income over-achieved in 2020/21).
- An adverse variance within tuition fees of £668k (net SAAS / HEFT fees & associate degrees).
- A favourable variance within commercial income of £501k (accommodation income (Dnipro), scheduled and bespoke courses partly offset by lower than budgeted FWDF income).
- A favourable variance within other income of £215k (Nursery, STEM grants, Access Centre, Creative Industries fees, bank interest and higher graduation ticket sales).
- A favourable variance within staffing costs of £23k (net vacancy churn).
- A favourable variance in other operating expenditure of £129k within teaching activities (external associate trainers), partnership costs, premises (largely net gas and water meter charges), telecoms, ICT (printing & software) and health & safety.
- An adverse variance within debt interest costs of net £27k (higher variable loan interest repayments following recent base-rate increases).

The College received notification from the SFC that it's Young Person's Guarantee (YPG) allocation for 2022/23 is £319k, of which £292k is included within the College's y/e forecast, whilst a corresponding amount is also included in the College's staffing budget. The balance of YPG funding (£27k) and its

associated expenditure (including mental health training for staff) remains under discussion, and has therefore been excluded from current projections.

Following the latest review of tuition fees, including recruitment and retention numbers, the fy forecast for tuition fees (original target: £6.9m) has been reduced to £6.2m (a further reduction of £58k in total from last month). In addition, a detailed review of FWDF income (and associated costs) for the remaining months of the year has resulted in a net reduction to the College's FWDF income forecast of £155k (in line with last month). These shortfalls are wholly offset by the additional YPG monies highlighted above, higher accommodation income (Dnipro), higher scheduled, bespoke & SDS course income, additional net international income (Panama Group 2) and higher other income generating activities (bank interest and non-SFC grant income).

Departmental / faculty review meetings are held monthly, where fy forecasts of the latest income and expenditure positions are discussed and adjusted as necessary, with particular emphasis upon identifying savings and reducing in-year non-essential spend. This approach improves the financial position and / or provides further support towards phase 2 VS payments. As part of this exercise, unfilled vacancies will continue to be removed where opportunities arise (vacancies totaling net 4.61 fte were removed following a recent staff establishment review). Regular SMT meetings also prioritise plans to bolster this year's operating position, and to address the financial challenges in future years.

Movements in April 2023 affecting the fy operating forecast are as follows:

	<u>£k - Fav / (Adv)</u>
Tuition fees (largely associate degrees and PT self-payers)	(58)
Training restaurants and hair & beauty salons net income	11
Residencies income (non Dnipro lets)	40
Bespoke and Scheduled short courses income	100
Access Centre income	30
Access Centre expenditure	(30)
Other income (vending machines/bank interest)	22
Staffing (towards potentially higher pay settlements)	(220)
Other operating expenditure (primarily savings across ICT (licences & software), consumables and VAT)	105
	<hr/>
Total movement during April affecting operating position:	<u><u>-</u></u>

The fy forecast remains aligned to the full year budget at operating and adjusted operating levels. Current movements against the fy budget are shown below:

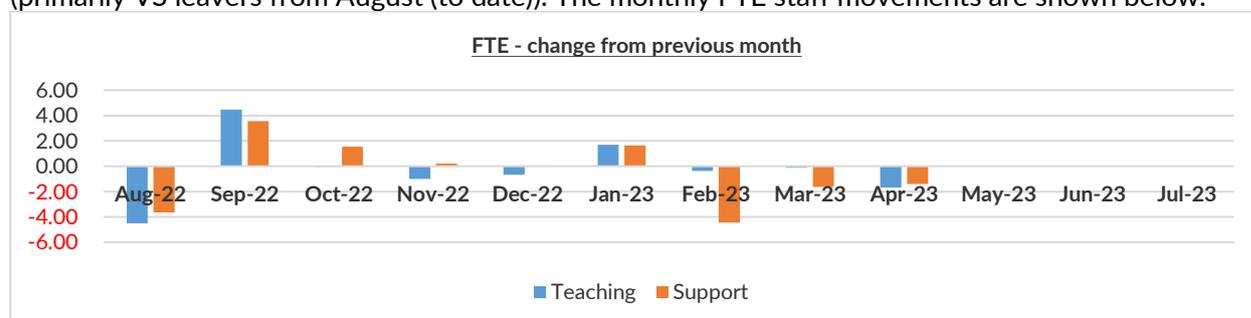
	<u>£k - Fav / (Adv)</u>
YPG 2022/23 funding	292
ESF credits (2020/21 net over-achievement)	41
Tuition fees (FE/HE FT, SAAS, PT self-payers, assoc degrees & MA's)	(740)
Bespoke & Scheduled courses, SDS, net Bliss Spa & training restaurants	479
Net international income	98
FWDF net income (£100k of savings recognised in January 23)	(155)
Net Accommodation income (largely Dnipro)	185
Other income (inc bank interest, non SFC grants, World Skills, facilities hires, Innovation vouchers & vending)	94
Staffing (potential higher pay award:(£976k) net of vacancy churn £210k)	(766)
Catering subsidy	(45)
Partnership budget (incl. changes to delivery model)	54
Other operating expenditure (savings in premises costs- water charges other teaching costs, transport, telecoms, H&S, ICT, training, marketing, partnership costs, and VAT.	509
Variable loan interest payable	(46)
	<hr/>
<b>Total ytd movement affecting cash:</b>	<u><u>-</u></u>

The College's full year energy budget was calculated following guidance from APUC (using framework prices). Although gas and electricity framework prices changed from 1<sup>st</sup> April 2023 (with the gas price reducing by circa 20% whilst the electricity price increased by circa 62%), College energy cost forecasts remain in line with budget as these cost movements are expected to be offset by tight consumption management. Both costs and usage remain under close scrutiny.

### STAFF (FULL TIME EQUIVALENT)

FTE	31/07/22	30/04/23	YTD Movement	30/04/22
Teaching	457.9	455.6	(2.3)	498.7
Support	498.3	494.2	(4.1)	513.0
	956.2	949.8	(6.4)	1,011.7

Staff numbers have decreased by 6.4 FTE (overall) since the beginning of the academic year (primarily VS leavers from August (to date)). The monthly FTE staff movements are shown below:



### CASH

Opening cash	Month-end cash	Comments
01/08/2022	30/04/2023	
£'m.	£'m.	
5.5	5.9	The April cash balance is £5.9m which includes £0.1m of student support funds. £0.4m of underspent 2021/22 student support funds were repaid to the SFC / SG up to March 2023. Cash has been paid out in 2022/23 for 2021/22 VS payments and the Granton Accommodation settlement (accrued at 31 July 2022). In January 2023 there was a large amount of cash paid to the College from SAAS (£2.7m); to offset this there was a lower February drawdown on SFC cash. The current forecast for cash as at 31 July 2023 is £1.3m due to there being SFC funds held at 31 July 2022 which are due to be spent in 2022/23 (including mental health funding, digital funding and FWDF) and other deferred income received in 2021/22. This may change depending on how much advanced cash (if required) the College receives for 2023/24 before 31 July 2023.

## CAPITAL EXPENDITURE

Opening Fixed Assets	Additions	Dep'n	Closing Fixed Assets	Comments
01/08/2 2	30/04/2 3	30/04/2 3	30/04/2 3	
£'m.	£'m.	£'m	£'m.	
178.8	2.7	(4.5)	177.0	Capital funding for 2022/23 is allocated as follows: <b>(1)</b> £0.8m to maintain the estate (I&E budget) <b>(2)</b> £1.9m for condition survey backlog works <b>(3)</b> £0.6m for lifecycle maintenance <b>(4)</b> £0.3m for student digital poverty and <b>(5)</b> £0.34m of digital funding C/F as undelivered in 2021/22 due to supplier delays. To date £2.7m of 'work in progress' has been incurred since the beginning of the academic year on building fabric, environmental initiatives and IT projects (including student IT of £0.2m). A further £0.4m of expenditure is committed.

<b>Title</b>	<b>ECSA Impact Report 2022/23</b>
<b>Appendices</b>	Appendix 1: ECSA Impact Report 2022/23 <a href="#">[Link]</a>
<b>Disclosable under FOISA</b>	Yes
<b>Primary Contact</b>	David Elder, ECSA Student President
<b>Date of Production</b>	07.06.22
<b>Action Required</b>	Information / Discussion

**1. RECOMMENDATIONS**

The Board are asked to note and discuss the information provided in the Edinburgh College Students' Association's (ECSA) End of Year Report.

**2. PURPOSE OF REPORT**

To provide the Board of Management with an overview of activities conducted by ECSA in the 2022/23, and their wider impact on the student experience.

**3. DETAIL**

The ECSA Impact Report 2022/23 can be accessed on the Board Portal [here](#).

An accompanying presentation will be provided by the ECSA Team at the Board of Management on 13 June 2023.

**4. IMPACT AND IMPLICATIONS**

The report provides a comprehensive overview of the work of ECSA in 2022/23, and highlights key benefits and opportunities going forward.

**5. LINKS TO STRATEGIC PLAN AND KPIS**

The activities and key priorities described in the ECSA Report are linked to the following strategic aims and key performance indicators:

Strategic Aims:

- Delivering a Superb Student Experience
- An Effective and Efficient College
- Providing an Excellent Curriculum.

Key Performance Indicators:

- Total Credits
- Achievement and Retention.

<b>Title</b>	<b>Governance Report</b>
<b>Appendices</b>	Appendix 1: TLRR Summary Graphic - May 2023 Appendix 2: Upcoming Board Relevant Events 2023/24 Appendix 3: Board Effectiveness Review 2023 - Terms of Reference Appendix 4: 2023/24 Board and Committee Schedule
<b>Disclosable under FOISA</b>	Yes
<b>Primary Contact</b>	Marcus Walker, Board Secretary
<b>Date of Production</b>	30.05.23
<b>Action Required</b>	Information / Discussion / Decision

## 1. RECOMMENDATIONS

The Board is asked to note the contents of the Governance Report and consider the following:

- The key strategic risks highlighted in the **Top-Level Risk Register Summary** (Appendix 1).
- Progress against the **2022/23 Board Development Plan** (*Para 3.4.1 refers*).
- The proposed **timeline for trade union nominees to join college boards** (*Para 3.7.2 refers*).

The Board are also asked to consider and approve the following:

- The **extension to the tenure of Alex Killick**, as a Non-Executive Board Member (*Para 3.1 refers*).
- The proposed **Board Effectiveness Review 2023 Terms of Reference** (Appendix 3).
- The proposed **2023/24 Board and Committee Schedule** (Appendix 4).

## 2. PURPOSE OF REPORT

The report provides an update on matters brought to the attention of the Board in March 2023, and further governance developments within the College, and the college sector, over recent months.

## 3. DETAIL

### 3.1 Non-Executive Board Member Tenure Extension

The tenure of the Vice Chair of the Board, Alex Killick, is due to end on 22 September 2023. As a Non-Executive Board Member, Mr. Killick may be appointed for a second 3-year term subject to the approval of the Board of Management and the Scottish Government.

Mr. Killick is the former Director of People at Glasgow Caledonian University and a Director of Leading Kind, a culture change consultancy.

In addition to his role as Vice Chair of the Board, Mr. Killick currently chairs the Planning & Resources Committee and is a member of both the Remuneration and Nominations Committees.

Further to the endorsement of the Nominations Committee, the Board of Management are asked to approve the proposed extension to tenure until 22 September 2026 – prior to a written request being submitted to the Scottish Government.

### **3.2 Top-Level Risk Register Summary**

For Board members' consideration a Top-Level Risk Register (TLRR) Summary is included as [Appendix 1](#). *[N.B. A verbal update on the TLRR Summary will be provided by the Chief Operating Officer on 13 June 2023]*

For information, the Risk Management Report, which contains a detailed TLRR is available to Board members via the [Board Portal](#).

### **3.3 Board Events / Activities**

A list of upcoming internal and external events can be viewed in [Appendix 2](#). Further information on individual events will be circulated to Board Members in due course.

### **3.4 Board Effectiveness Review and Development Plan**

#### **3.4.1 Board Development Plan 2022/23**

In September 2022, an updated 2022/23 Development Plan was approved by the Board of Management for monitoring on a quarterly basis during the academic year. An updated Board Development Plan (to May 2023) can be viewed on the [Board Portal](#) which outlines the status of all recommendations, and actions, arising from both the 2019 Board Effectiveness Review and subsequent self-evaluations.

It should be noted that whilst 15 of the actions within the Development Plan have been completed, a further seven remain ongoing. These outstanding actions relate to the embedding of College KPIs (linked to the new Strategic Plan) and the development of an Engagement sub-strategy.

A verbal update on matters connected to 'Secondary Recommendations' 1.5 and 1.6, related to both the attendance and scheduling of Board/committee meetings, will be provided by the Chair of the Board on 13 June 2023.

A final update on the 2022/23 Development Plan will be provided to the Board on 26 September 2023, prior to the creation of a new Development Plan - arising from the proposed 2023 External Effectiveness Review (see below).

#### **3.4.2 External Effectiveness Review 2023**

The Code of Good Governance for Scotland's College states that boards must conduct an externally facilitated evaluation of their effectiveness every 3-5 years and submit an evaluation report to the SFC and publish it online. Edinburgh College previously published its [2019 External Effectiveness Review](#) in March 2020, along with an accompanying Development Plan.

Following the appointment of Nora Senior, as Chair of the Board, in July 2022 and the appointment and induction of several new non-executive board members in 2022/23, it is proposed that the Board undertakes its external effectiveness review in the coming academic year.

A *Draft Board Effectiveness Review Terms of Reference* is attached (as Appendix 3) for consideration and endorsement. If approved, the Terms of Reference will provide the basis for a tender exercise to find a suitable external evaluator.

To manage and coordinate the Review, it is proposed that a short-life working group (SLWG) is convened which contains non-executive, student, and staff board members. The membership of the SLWG shall be considered by the Board at its meeting on 13 June 2023.

### 3.5 Annual Evaluation Process 2022/23

The Code of Good Governance for Scotland's Colleges states that boards must keep their effectiveness under annual review and have in place a robust self-evaluation process. Further to this, the Board has undertaken the following self-evaluation exercises:

- **Committee self-evaluations** were undertaken at all meetings in May and June 2023. Actions arising from the self-evaluations will be considered by each committee at their next meeting.
- A **Board Questionnaire** was circulated to all members with a deadline of 29 May 2023. Key themes arising from the survey are outlined in the 2022/23 Appraisal Report (PAPER L).
- **One-to-one meetings with the Chair** took place during the weeks commencing 8<sup>th</sup> & 15<sup>th</sup> May 2023. Reflections from the process will be fed back to the Board as part of the 2022/23 Appraisal Report (PAPER L).
- The **Evaluation of the Chair** was conducted by the Vice-Chair at the end of May 2023 and allowed Board members to reflect on the Board Chair's performance in 2022/23. Matters arising from the process will be fed back to the Board as part of the 2022/23 Evaluation of the Chair Report (PAPER M).
- A **review of Committee Membership and Attendance** will be conducted by the Nominations Committee following the Board meeting on 13 June 2023. A finalised report will be circulated to Board members in due course.

### 3.6 2023/24 Board and Committee Schedule

Attached as [Appendix 4](#) is the Board and committee calendar for 2023/24 as endorsed by the Board following a period of consultation in May 2023. The Board are asked to note, and formally approve, the dates of upcoming meetings.

### 3.7 National Governance Update

#### 3.7.1 College Sector Board Appointments: 2023 Ministerial Guidance

The Good Governance Steering Group (GGSG) met on 22 May 2023 to consider and approve further revisions to the [College Sector Board Appointments Ministerial](#)

[Guidance 2014](#). The Scottish Government now intend to publish a 6–8-week consultation on the updated guidance over the summer.

The proposed revisions aim to strengthen guidance on succession planning and multiple candidate appointments.

Once the Draft Order to amend the relevant Acts for the Trade Union Nominees on Boards has been laid before Parliament (see Para 3.7.2 below), the references to this will be updated in finalised Ministerial Guidance.

### **3.7.2 Trade Unions Nominees to College Boards**

In 2019, the Scottish Government committed to introducing two trade union nominees to the boards of management of college institutions. This work was part of a wider set of governance reforms that were put forward by the Good College Governance Task Group, which undertook a review of college governance in 2016.

To introduce trade union representatives onto the boards of management of college institutions, subordinate legislation will be required to amend the Further and Higher Education (Scotland) Act 1992, the Further and Higher Education (Scotland) Act 2005, In January 2023, the Scottish Government [consulted](#) on a set of policy proposals designed to inform the development of the subordinate legislation.

A draft [timeline of activity for the implementation of this governance reform and associated procedure and processes](#) was recently considered and endorsed by the GGSG. It is now expected that the Scottish Government will lay a Draft Order to the Scottish Parliament in early September 2023 to allow for amendments to be made to the 1992 Act and the 2005 Act, a process which requires a minimum of 54 days.

In preparation for the implementation of this governance reform, recognised trade unions will be asked to prepare for an election process in October 2023, with a view to trade union board members being elected in January 2024. New board members will then be provided with a formal induction and invited to attend scheduled board meetings by the end of March 2024.

It is expected that a communication from the Chair of the GGSG will be issued to the college sector in June 2023 outlining the agreed implementation arrangements.

## **4. IMPACT AND IMPLICATIONS**

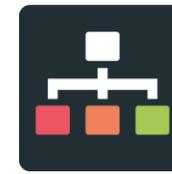
Effective governance arrangements and appropriate forward planning will mitigate the risk of governance failure.

## **5. LINKS TO STRATEGIC PLAN AND KPIs**

The activities and key priorities described in this report are linked to the full range of strategic aims and key performance indicators monitored by the Board of Management.

# TOP LEVEL RISK REGISTER

## April 2023



### Overview

The following have been identified as the top strategic risks of Edinburgh College for the reporting period starting April 2023. The colour status applied to each listed risk is based on the residual (Net) score applied within the top risk register maintained by the College.

#### RED Score

- ↔ (1) National bargaining impact on college operations
- ↔ (33) Financial Sustainability (Insufficient budget / funding to cover cost of living, job evaluation, employer pension contribution increases)
- ↔ (2) Student retention and attainment
- ↔ (24) Cyber security breaches within the college
- ↔ (32) Failure to meet SFC funded activity targets and fees (recruitment, credit, SAAS and fee income)

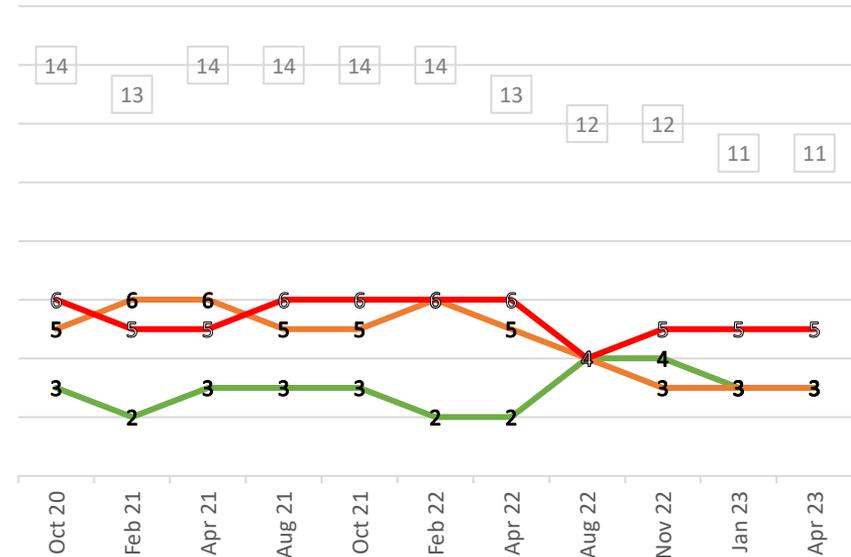
#### AMBER Score

- ↔ (3) Shortfall in commercial income
- ↔ (25) Finable breach of the GDPR or PECR
- ↔ (28) College estate infrastructure not aligned to meet business need

#### GREEN Score

- ↔ (35) Public health risk
- ↔ (27) Workforce planning and development
- ↔ (15) Health & safety non-compliance

### Risk Movement



### RAG Key

- ↔ No score movement from last reporting period
- ↑ Residual (Net) score increase from last reporting period. Colour of arrow denotes the risks previous RAG score
- ↓ Residual (Net) score decrease from last reporting period. Colour of arrow denotes the risks previous RAG score
- New Risk
- ⤴ Combination of previously separate risks within the top risk register

## UPCOMING EVENTS

### Edinburgh College Engagement Events:

5 June 2023	<b>City Vision 2050 Relaunch</b> <i>Granton Campus (12:30-16:45)</i>
9 June 2023	<b>Prizegiving</b> <i>Granton Campus (16:30-19:00)</i>
29 September 2023	<b>Graduation</b> <i>McEwan Hall (All-day)</i>

### College Development Network Event(s)

It is expected that CDN will publish their 2023/24 Development Programme in July 2023.



## EDINBURGH COLLEGE BOARD OF MANAGEMENT

### BOARD EFFECTIVENESS REVIEW: TERMS OF REFERENCE

#### 1. Context

The Code of Good Governance for Scotland's College states that:

*“The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every 3-5 years. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online”.*

#### 2. Strategic Purpose

To evaluate Edinburgh College's governance framework and to assess whether or not it remains fit for purpose in respect of the refreshed 'Code of Good Governance for Scotland's Colleges'.

In addition to the new Code of Good Governance for Scotland's Colleges, the evaluation process shall extract best practice from other relevant governance documents, including; the Scottish Government's 'On Board - A Guide for Board Members of Public Bodies in Scotland' and the UK Corporate Governance Code.

#### 3. Objectives

The four domains evaluated through the Board Effectiveness Review shall be:

##### 3.1 Strategy and Planning

- Strategic planning processes;
- Engagement with students, staff and other stakeholders;
- Board insight and foresight;
- Performance monitoring and risk assurance.

##### 3.2 Capability and Culture

- Board capability;
- Board induction, development and succession planning;
- Board skills matrix;
- Board evaluation and performance review arrangements for individual Board member.

##### 3.3 Process and Structures

- Governance framework (including standing orders, scheme of delegation and terms of reference)

- Board roles and responsibilities;
- Structure, membership and operation of sub-committees;
- Interface between the Board, its committees and community planning partnership governance arrangements.

### 3.4 Measurement

- Effective information management, reporting, and decision-making.
- Effective reportage framework (including appropriate report template)
- Timely, accurate and relevant information;
- Effective use of performance and quality information.

## 4. Governance

The review will be managed and coordinated by a working group of the Board, chaired by the Chair of the Board, Nora Senior, and consisting of the following members:

- (Non-Executive)
- (Non-Executive)
- (Non-Executive)
- (Student Board Member)
- (Support Staff Board Member)
- (Teaching Staff Board Member)

The Board Secretary and the Principal & Chief Executive shall attend meetings of the working group in an advisory capacity, as required.

The working group will report directly to the Board (as required) via the 'Governance Report' standing item, at each of its scheduled meeting, on developments, findings and recommendations.

The working group will also commission an external third party to undertake the review, in line with the terms of reference, and the appointed third party will report directly to the working group.

## 5. Timescales

<b>Action</b>	<b>Dates</b>
Terms of reference approved by Board of Management.	13 June 2023
External third party commissioned and approved by the Board.	26 September 2023
Initial findings and recommendations reported to the working group and draft Board Effectiveness Report approved.	## February 2024 (TBC)
Draft Board Effectiveness Review report, and accompanying development plan, approved by the Board of Management.	26 March 2024
Board Effectiveness recommendations implemented and reported to the Board through an improvement plan.	March 2024 onwards



## Board and Committee Meeting Year Planner 2023/2024

2023/24	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F
August		1 TSH	2 TSH	3 TSH	4 TSH	7 TSH	8 TSH	9 TSH	10 TSH	11 TSH	14	15	16	17	18	21	22	23 BDE 15:00	24	25	28	29	30	31 P&R 15:00	
September					1	4	5	6	7 CD 15:00	8 LTSE 14:00	11	12	13	14	15	18 CC	19	20	21	22	25	26 BoM 14:00	27	28	29
October	2	3	4	5	6	9	10	11 A&RA 15:00	12	13	16 TSH	17 TSH	18 TSH	19 TSH	20 TSH	23	24	25	26	27	30	31			
November			1 BSS 09:30	2	3	6	7	8	9	10	13	14	15	16 P&R 15:00	17 LTSE 14:00	20	21	22 A&RA 15:00	23 CD 15:00	24	27	28	29	30	
December					1	4	5	6	7	8	11	12 BoM 14:00	13	14	15	18	19	20	21	22	25 CC	26 CC	27 CC	28 CC	29 CC
January	1 CC	2 CC	3 CC	4 CC	5 CC	8	9	10	11	12	15	16	17	18	19	22	23	24	25	26	29	30	31		
February				1	2	5	6	7 BDE 15:00	8	9	12 TSH	13 TSH	14 TSH	15 TSH	16 TSH	19	20	21	22	23	26	27	28	29 P&R 15:00	
March					1	4	5	6 A&RA 15:00	7 CD 15:00	8 LTSE 14:00	11	12	13	14	15	18	19	20	21	22	25	26 BoM 14:00	27	28	29 CC
April	1 CC	2 TSH	3 TSH	4 TSH	5 TSH	8 TSH	9 TSH	10 TSH	11 TSH	12 TSH	15	16	17	18	19	22	23	24	25	26	29	30			
May			1 BSS 09:30	2	3	6 CC	7	8	9	10	13	14	15	16 P&R 15:00	17 LTSE 14:00	20	21	22 A&RA 15:00	23 CD 15:00	24	27	28	29	30	31
June	3	4	5	6	7	10	11 BoM 14:00	12	13	14	17	18	19	20	21	24	25	26	27	28					

**KEY :** Board; Audit & Risk Assurance; Learning, Teaching & Student Experience; Corporate Development; Planning & Resources; Remuneration; Nominations; Board Strategy Session; Board Development Event (optional)  
 CC = College Closed; TSH = Teaching Staff Holiday

<b>Title</b>	<b>Board Annual Appraisals Report 2023</b>
<b>Appendices</b>	None
<b>Disclosable under FOISA</b>	Yes
<b>Primary Contact</b>	Marcus Walker, Board Secretary
<b>Date of Production</b>	06.06.23
<b>Action Required</b>	Information / Discussion

**1. RECOMMENDATIONS**

The Board are asked to discuss and note the paper.

**2. PURPOSE OF REPORT**

This paper has been prepared by the Chair of the Board as a reflection on some of the discussions held with Board members during the annual appraisal process. It is intended to assist in Board thinking around its effectiveness and improvement.

The Code of Good Governance for Scotland's Colleges states that boards must keep their effectiveness under annual review and have in place a robust self-evaluation process.

There are two elements to the Board annual appraisal process at Edinburgh College:

- One-to-one meetings between the Chair and Board members.
- A Board Survey reflecting on the practice of the Board of Management during the academic year.

**3. DETAIL**

**3.1 One-to-One Meetings with the Chair of the Board**

The Chair held individual appraisals with 15 members<sup>1</sup> of the Board during the w/c 15<sup>th</sup> & 22<sup>nd</sup> May 2023. Of those 15 members, seven non-executive members had joined the Board during the academic year 2022/23, and one Student Board Member was nearing the end of their term of office.

The Board members who are remaining on the Board for the upcoming academic year (2023/24) all agreed personal objectives with the Chair.

Further to the appraisal meetings held in May, the Chair of the Board would like to highlight the following observations, and proposed actions, for discussion by the Board of Management on 13 June 2023:

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<sup>1</sup> Appraisals with the two remaining Non-Executive Board Members will be held following the Board of Management on 13 June 2023.

### 3.1.1 The Strategic Plan

**Observation:** The Strategic Plan lost some of its dynamic effect as it was overshadowed by the voluntary severance consultation. Both the Executive and the Board must reflect on learnings around the communication of the College vision and the consultation itself.

**Action(s):** The Executive Teams should reflect on the Strategic Plan and bring forward a roadmap to the next meeting of the Board of Management outlining their vision for the clear articulation and communication of the strategic plan (- in both the short and long term).

### 3.1.2 Our People

**Observation:** Our People Strategy currently sits across different committees of the Board. Discussions with some Board members showed support for a dedicated HR/People Committee/Workforce Summit to (as a more focused group) reignite a people plan, and scope out new terms of reference based around culture and morale.

Members recognised that it might also be helpful to explore, in greater depth, how both lecturing and support staff can better work as 'inclusive teams' - to further refine the shape and size of the curriculum and ensure College resources are used to maximum effect.

**Action(s):** The Board should consider the development of a blueprint for a 'people-focused' group bringing together individuals from across the College as part of a 'Right Size, Right Shape' workshop.

### 3.1.3 SFC and SQA Engagement

**Observation:** Discussions raised questions around whether the activities and focus of the SQA and the SFC relate to the right outcomes (e.g. redundant modules).

**Action(s):** The Chair, the Principal, and other Board members to increase engagement with SFC and SQA around course assessed content and parity funding.

Further to this, the Board – in line with the draft External Engagement Plan 2023-28 currently being considered by the Corporate Development Committee - should seek to increase its Ministerial and media engagement.

### 3.1.4 Board Effectiveness

- **Board/committee papers**

**Observation:** There is a recognition across the Board that the papers are too long and unwieldy which sometimes means content is buried and Board members are unsure what they are being asked to give guidance/approval on.

**Action(s):** The Executive Team and Board Secretary should work directly with a member of the Board to review the Board/committee paper template and accompanying guidance on its completion by senior managers.

- **Board Mentorship**

**Observation:** Members suggested that the Chair and the Board Secretary should consider a more formalised approach to mentorship arrangements for board members. This would provide a new, and in-experienced, board members with an opportunity to discuss and question Board and committee papers in a 'safe space'.

**Action(s):** The Chair and the Board Secretary shall review mentorship arrangements (in line with the Board's Mentorship Procedure) and create appropriate links between new/in-experienced and longer serving Board members.

- **Non-Executive Briefings**

**Observation:** To ensure that Non-Executive Members were fully briefed on key matters of College business, it was proposed that non-executive briefings are scheduled.

**Action(s):** The Chair and the Board Secretary shall schedule non-executive briefing session – as required – in advance of Board meetings.

- **Board / Committee Meetings**

**Observation:** More time should be given over to discussion rather than 'process' items to make best use of Board members expertise and time.

It is also proposed that SFC representatives, Ministers, and/or or local politicians are invited to attend occasional Board meetings.

**Action(s):** The Board Secretary shall divide the agenda into 'For Discussion'; 'For Approval' and 'For Information' sections. Additionally, the Board should consider further use of the Microsoft Teams chat function, polls and whiteboards - as part of Board discussions.

- **Getting to know the College.**

**Observation:** The Board would welcome more presentations from faculties/departments across the College. The Board should also consider how its members could be more accessible and visible without being intrusive.

**Action(s):** The Board should consider the following approaches to increase their visibility:

- The potential for in-person town halls meetings.
- The rotation of campus visits, which include presentations from departments.
- Holding pre-board lunches in communal areas (e.g. cafeteria) and/or coffee mornings on site with staff/student.

### 3.1.5 Student Experience

**Observation:** Board members would like to learn more about the delivery of Digital learning at the College and understand how we gather feedback on the student experience in this area.

**Action(s):** The Executive and the Board Secretary should consider ‘digital learning and engagement’, including staff development in this area, as the topic for a future pre-Board / development session.

### **3.1.6 Board Training**

**Observation:** Board members would welcome further development and training activities.

**Action(s):** The Board Secretary shall circulate the College Development Network (CDN) training / development schedule for 2023/24 in July/August 2023. Once the CDN schedule is finalised, a schedule of complimentary training / development activities - led by the College - will be circulated to Board members.

## **3.2 Board Survey 2023**

In late May 2023, an evaluation questionnaire comprising of 34 statements, over six sections directly related to areas of the Code of Good Governance, was circulated to the Board. Responses to the questionnaire illustrated that Board members were broadly content with governance arrangements at the College, indicating broad ‘agreement’ with all 34 of the statements put forward (against a six-level Likert scale).

Four new Non-Executive Board Members, appointed on 1 March 2023, agreed that it was not appropriate to complete the Survey and instead chose to feedback through the one-to-one appraisal process. Of the remaining Board members, seven (from a possible total of 13) completed the 2023 Board Survey.

Whilst respondents collectively ‘agreed’ with all 34 statements put forward in the 2023 Survey, there were several constructive comments that will be considered further by the Chair and the Board Secretary.

## **3.3 Next Steps**

The feedback provided by the Board will be considered further by the Chair and the Board Secretary, and cross referenced with the 2019 Board Effectiveness Report and the subsequent recommendations highlighted within the Board Development Plan. A further update on the implementation of points raised through Board members’ feedback shall be included in the Governance Report provided to the Board at its next scheduled meeting on 26 September 2023.

## **4. IMPACT AND IMPLICATIONS**

Self-evaluation is required to maintain an effective Board and ensure that robust governance arrangements are in place. A governance failure, which may result from inadequate self-evaluation processes, could have significant reputational implications for the College.

## **5. LINKS TO STRATEGIC PLAN AND KPIS**

The activities described in this report are linked to the ‘An Effective and Efficient College’ strategic aim.