

**POLICY & RESOURCES COMMITTEE**

**MINUTES OF MEETING OF 21 FEBRUARY 2023**

**14:00 via Microsoft Teams**

**Present:** Lesley Drummond; David Elder; Alex Killick (Chair); Ross Laird; Ian McLaughlan; Gwen Raez; Nora Senior

**In attendance:** Sue Clyne; Audrey Cumberland; Ian Deed; Jonny Pearson; Marcus Walker (Clerk); Alan Williamson

**1. WELCOME AND APOLOGIES**

- 1.1 No apologies were received.
- 1.2 The Committee NOTED that Alex Killick, a Non-Executive Board Member, had been confirmed as the Chair of the Policy & Resources Committee, by the Board of Management, on 13 December 2022.
- 1.3 The Chair welcomed Ross Laird and Ian McLaughlan to their first meeting of the Policy & Resources Committee, as Non-Executive Members, following their appointments as Chair of the Learning, Teaching & Student Experience Committee and Chair of the Remuneration Committee – respectively.
- 1.4 The Chair welcomed Ian Deed, the new Director of Finance & Estates, to his first meeting of the Policy & Resources Committee.

**2. DECLARATIONS OF INTEREST**

- 2.1 No declarations of interested were noted.

**3. MINUTES OF PREVIOUS MEETING**

- 3.1 The Committee APPROVED the minutes from 17 November 2022 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.

4.1.2 Health & Safety Reporting (*Ref: Minute 4.2.2/17.11.22*)

The Committee NOTED that the minutes of the recent Health & Safety Group held on 25 January 2023 had been included in the Policy & Resources Committee documentation (*Minute 11.1 refers*). The Committee DISCUSSED the upcoming dates of scheduled Health & Safety Group meetings and AGREED that at least one member of the Policy & Resources Committee should be invited to attend quarterly meetings of the Group.

4.2 TERMS OF REFERENCE

4.2.1 The Committee NOTED that, in light of changes to the chairing of the Policy & Resources Committee and the recommendations within a recent internal audit report, Members were asked to consider changes to its Terms of Reference.

4.2.2 The Committee NOTED a proposal to change the title of the Policy & Resources Committee to align with its core purposes. The Chair advised the Committee that the term 'Policy' did not accurately reflect the role of the Committee, which has oversight for planning and resources related to the key matters of Finance, Staffing and Estates / Infrastructure.

4.2.3 The Committee DISCUSSED its title and AGREED that the '*Planning & Resources Committee*' would better represent the primary role of the Committee.

4.2.4 The Committee NOTED that a recent *Staff Wellbeing Internal Audit*, which would be considered by the Audit & Risk Assurance Committee on 22 February 2023, recommended an update to the Policy & Resources Committee's Terms of Reference to explicitly state its responsibilities in relation to staff wellbeing. The Committee DISCUSSED its role in relation to both HR matters and staff wellbeing and AGREED that its Terms of Reference should be updated to incorporate the internal audit recommendation.

4.2.5 The Committee AGREED that a revised Terms of Reference, including the endorsed changes outlined in Minutes 4.2.3 and 4.2.4, should be circulated to Members for approval – prior to its presentation to the Board of Management on 28 March 2023.

4.2.6 The Committee NOTED that, as part of its upcoming 2023 Board Effectiveness Review, the Board of Management should consider the strategic focus of all its committees to ensure alignment with the Strategic Plan and associated KPIs. The Clerk advised the Committee that the Board of Management would receive an opportunity to consider the scope of the 2023 Board Effectiveness Review at its meeting on 13 June 2023.

## 5. PRINCIPAL & CHIEF EXECUTIVE REPORT

- 5.1 The Committee NOTED an update from the Principal on developments at the College since its last meeting on 17 November 2022.
- 5.2 The Committee NOTED that the College Principals Group held on 7 February 2023 had welcomed input from senior SFC colleagues, including the Chief Executive Officer (Karen Watt). The Principal advised the Committee that the 'real' cash reductions to college funding, through the flat-cash settlement outlined in the Scottish Government Spending Review, would compound the precarious financial position across the sector.
- 5.3 The Committee NOTED that, as outlined in the [Audit Scotland; Scotland's College 2022 Report](#), change was necessary to ensure the financial sustainability of the sector over the longer term, and that colleges required support from both the Scottish Government and the SFC to plan appropriately. The Principal advised the Committee that the Government Officials had also met with the College Principals Group to set out progress towards the publication of their report on the 'Purpose and Principles' vision for the colleges and universities sectors, which would sit alongside the ongoing Scottish Government commissioned [Skills Review](#).
- 5.4 The Committee DISCUSSED the following in relation to recent engagement between the college sector and both the Scottish Government and SFC:
- (i) The immediate funding challenges facing the sector and the transition towards a new funding model.
  - (ii) The need for greater clarity on national priorities from the SFC, so the college sector can define its direction of travel.
  - (iii) The fluid dynamic within which the College operates, and the emphasis placed on colleges, by the Scottish Government, to flex to the current funding environment.
  - (iv) The need for the College to engage with its staff around the challenging funding environment and its potential impact.
  - (v) Ensuring financial sustainability whilst achieving the ambitions of the new Edinburgh College Strategic Plan.
- 5.5 The Committee NOTED that, as previously reported to the Board of Management on 13 December 2022, the College was in Phase 2 of the implementation of its Business Case for achieving financial savings over the period 2021/22 to 2024/25. The Principal advised the Committee that staff consultations on the proposals for curriculum reshaping had closed on 13 February 2023, and feedback from staff was currently being considered.
- 5.6 The Committee DISCUSSED the implementation of Phase 2 of the Business Case, and the feedback from Staff Board Members and EIS Branch colleagues around the limited involvement of the Principal (and the wider Executive Team) in the process. The Principal advised the Committee that, although she had underestimated staff expectations around her involvement in the initial stages of the consultation, it was for senior staff responsible for the curriculum, and staff directly, to lead the process. The Committee NOTED that it was the intention of the Principal to communicate with staff more widely on the challenges faced by both the College and the wider sector.

- 5.7 The Committee DISCUSSED the Voluntary Severance Consultation process and its communication to staff. The Committee NOTED that, whilst it was content that the College had followed due process, it recognised that the Consultation exercise was challenging for both the curriculum staff directly affected and the wider College.
- 5.8 The Committee NOTED that, in relation to the National Job Evaluation exercise, the national project team had concluded its final quality assurance checks on scores across all colleges. The Principal advised the Committee that despite recent progress there remained significant concerns around the use of data which was collated in 2019, and approximately four years old. The Committee DISCUSSED the continued uncertainty surrounding the outcome of the Job Evaluation process and AGREED that the Principal should provide a further update to the Board of Management on 28 March 2023.

## **6. RECRUITMENT, RETENTION & CREDITS DASHBOARD**

- 6.1 The Committee NOTED an overview of the performance of the College against its 2022/23 activity targets. The Vice Principal Education & Skills reminded the Committee that the SFC had set the College a total activity target of 183,174 credits for the academic year.
- 6.2 The Committee NOTED that, as of 21 February 2023, the College had accumulated 94% of its core credits target. The Vice Principal advised the Committee that whilst there was a 4% decrease in activity (year-to-date) on 2021/22, current SFC guidance provided less flexibility than in the previous year.
- 6.3 The Committee NOTED that overall full-time enrolments were down by 14.3% compared with the same time last year. The Vice Principal advised the Committee that due to the Semester 2 application window opening a week earlier in 2021/22, meaningful comparisons between year-to-date data could not be reported upon until the next meeting of the Board of Management.
- 6.4 The Committee welcomed the progress outlined against the 2022/23 activity target and DISCUSSED the improvements outlined in retention rates across all modes of learning over the past academic year. The Vice Principal, in response to queries from Members, AGREED to circulate additional information on student numbers on campus during weekday evenings and Part-Time / Full-Time recruitment and retention data trends.

***Gwen Raez left the meeting***

## **7. FINANCE REPORT**

### **7.1 MANAGEMENT ACCOUNTS TO DECEMBER 2022**

- 7.1.1 The Committee NOTED the financial performance of the College as outlined in the Management Accounts to December 2022. The Director of Finance & Estates advised the Committee that there had been an

improved Adjusted Operating Position following the removal of vacant posts and associated reduction in voluntary severance payments.

- 7.1.2 The Committee DISCUSSED the controls in place to track student debts and NOTED that it potentially could be a good indicator of the financial pressures placed on students.

## 7.2 REVISED FINANCIAL FORECAST TO 2022/23 to 2025/26

- 7.2.1 The Committee NOTED a revised financial forecast from 2022/23 to 2025/26 based on flat-cash funding. The Chief Operating Officer advised the Committee that flat cash would mean that the College would be required to self-fund pay awards and voluntary severance payments, whilst also responding to inflationary increases for supplies and services.

- 7.2.2 The Committee DISCUSSED the revised financial forecast and the projected levels of commercial income outlined. The Chair of the Board advised the Committee that it was important that forecast commercial income aligned with the ambitions outlined in the Edinburgh College Strategic Plan.

- 7.2.3 The Committee AGREED that, following the publication of the Scottish Funding Council's Indicative Budget on 23 March 2023, the Chief Operating Officer should present an updated revised financial forecast to the next meeting of the Board of Management.

## 8. ESTATES & DIGITAL INSTRATRUCTURE REPORT

### 8.1 COLLEGE CATERING UPDATE

- 8.1.1 The Committee NOTED a presentation on the current College catering provision, and its proposed development over the next 18 months. The Director of Finance & Estates informed the Committee that, by the end of the academic year 2023/24, the College aimed to develop a new Catering Strategy which met both the needs of students and staff – whilst maintaining at least a breakeven financial position.

- 8.1.2 The Committee NOTED that, in response to the limited catering options available as on-campus activity increased following the Covid-19 Pandemic, a Catering Survey had been launched to identify, and address, all areas of concern raised by staff and students. The Director of Finance & Estates advised the Committee that over recent months the College had actively engaged with its external supplier, Gather & Gather, to establish improved catering offers across all campuses.

- 8.1.3 The Committee DISCUSSED the ongoing use of student and staff feedback to enhance the delivery of catering services. The Chief Operating Officer highlighted to the Committee that, whilst every effort was being made in improve catering provision across campuses, the

approach of the College would need to be balanced against its financial performance.

- 8.1.4 The Committee NOTED that the current catering contract with Gather & Gather would expire in July 2024, with a tendering process scheduled to commence in early 2024 - with a view to a catering company being in place from the start of the academic year 2024/25. The Chair welcomed the update provided and the robust response outlined by the Director of Finance & Estates to the concerns of both students and staff.

## **9. HUMAN RESOURCES REPORT**

- 9.1 The Committee NOTED a Human Resources Report which included updates on employee relations, HR operations and organisational development. The Director of HR & OD highlighted to the Committee that key items relating to the reshaping of the curriculum and the ongoing National Job Evaluation had been discussed under the Principal & Chief Executive Report (*Minutes 5.5 to 5.8 refer*).
- 9.2 The Committee NOTED progress relating to a proposed Employee Survey and the initial research undertaken into the potential outsourcing of such an exercise. The Director of HR & OD informed the Committee that given the current focus of many curriculum employees on the reshaping exercise, the timing of an all-staff survey would need further consideration.
- 9.3 The Committee DISCUSSED the proposed Employee Survey and its timing in relation to the launch of the new Strategic Plan. The Committee AGREED that both the methodology and its implementation should be considered in further detail by the Board of Management at a future meeting. The Chair advised the Committee that a 'strategic discussion' around the Employee Survey would be included within the Board 2023/24 Agenda Planner.

## **10. ANY OTHER COMPETENT BUSINESS**

### **10.1 DEPARTURE OF NON-EXECUTIVE BOARD MEMBER**

- 10.1.1 The Committee NOTED that the tenure of Non-Executive Board member and Chair of the Audit & Risk Assurance Committee, Lesley Drummond, would end on 1 March 2023. The Chair, on behalf of the Committee, thanked Ms Drummond for her significant contribution to the Policy & Resources Committee during her tenure.

## **11. FOR INFORMATION**

### **11.1 HEALTH & SAFETY GROUP MINUTES 25.01.23**

- 11.1.1 The Committee NOTED the draft minutes of the Health & Safety Group held on 25 January 2023.

## 11.2 COMMITTEE PROGRAMME OF WORK 2022/23

- 11.2.1 The Committee NOTED its proposed programme of work for the 2022/23 academic year.

## 12. DATE OF NEXT MEETING

- 12.1 The next meeting of the Policy & Resources Committee will take place on 16 May 2023.

***Meeting closed at 16:00***