



For the future you want

## BOARD OF MANAGEMENT

### AGENDA

A meeting of the Board of Management will be held at 14:00 hours on Tuesday, 10 December 2019 in the Boardroom, Milton Road Campus.

		Lead Speaker	Paper
1	WELCOME & APOLOGIES	Chair	
2	DECLARATIONS OF INTEREST	Chair	
3	<a href="#">MINUTES OF PREVIOUS MEETING</a> <i>for approval</i>	Chair	<b>A</b>
4	MATTERS ARISING	Chair	<b>B</b>
5	BOARD DEVELOPMENT DAY 29.10.19	Chair	<b>C attached</b>
6	STRATEGIC DISCUSSION: THE COLLEGE OF THE FUTURE INTERIM REPORT	A Cumberford	<b>D</b>
7	DRAFT REGIONAL OUTCOME AGREEMENT 2020/21	J Buglass	<b>E</b>
8	EDINBURGH COLLEGE STUDENTS' ASSOCIATION REPORT	C Ford	<b>F attached</b>
9	COMMITTEE BUSINESS		
9.1	<u>Audit &amp; Risk Assurance Committee</u>		
	<a href="#">Minutes 09.10.19</a>	N Paul	<b>G</b>
	<a href="#">Minutes 20.11.19</a>	N Paul	<b>H</b>
	Annual Report & Financial Statement for the period to July 2019 <i>for approval</i>	N Paul	<b>I</b>
	i. A&RA Committee Annual Report		
	ii. Annual Accounts to July 2019		
	iii. External Audit Annual Report		
	iv. Letter of Representation		
	Summary Top Risk Register	N Croft	<b>J</b>

The Annual Report & Financial Statement for the Period to July 2019 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication.

9.2	<u>Policy &amp; Resources Committee</u> <a href="#">Minutes 12.11.19</a>	A Landels	<b>K</b>
	Digital Strategy <b>for approval</b>	J Buglass	<b>L</b>
	Environmental Sustainability Strategy	N Croft	<b>M</b>
	Recruitment & Retention Dashboard	J Pearson	<b>N attached</b>
	Management Accounts to October 2019	A Williamson	<b>O attached</b>

The Digital Strategy and the Environmental Sustainability Strategy are presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication.

9.3	<u>Academic Council</u> <a href="#">Minutes 15.11.19</a>	F Riddoch	<b>P</b>
9.4	<u>Corporate Development Committee</u> <a href="#">Minutes 19.11.19</a>	L Drummond	<b>Q</b>
9.5	<u>Nominations Committee</u> Non-Executive Recruitment Update	Chair	<b>Verbal</b>
10	<b>CLOSED ITEM(S) OF BUSINESS</b>		
10.1	<u>Policy &amp; Resources Committee</u> Closed Minutes 12.11.19	Chair	<b>R</b>

Item 10 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

11	<b>PRINCIPAL &amp; CHIEF EXECUTIVE REPORT</b>	A Cumberland	<b>S attached</b>
12	<b>GOVERNANCE REPORT</b>		
	12.1 Governance Update	N Croft	<b>T attached</b>
	12.2 Board Effectiveness Review 2019	N Croft	<b>Verbal</b>
13	<b>NATIONAL REPORT</b>	Chair	<b>Verbal</b>
14	<b>DEVELOPMENT TRUST: JOINT WORKING GROUP REPORT for approval</b>	A Colquhoun	<b>U</b>

The ECDT: Joint Working Group Report is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

15	<b>ANY OTHER COMPETENT BUSINESS</b>		
	15.1 Board of Management: Agenda Planner 2019/20	Chair	<b>V</b>
16	<b>FOR INFORMATION</b>		
	16.1 RIDDOR Report	A Williamson	<b>W</b>
17	<b>DATE OF NEXT MEETING: 24 March 2019</b>		



<b>FOR INFORMATION / DISCUSSION</b>			
Meeting	Board of Management 10.12.19		
Presented by	Ann Landels		
Author/Contact	Nick Croft / Marcus Walker	Department / Unit	Governance
Date Created	22.11.19	Telephone	0131 344 7048
Appendices Attached	<i>Appendix 1: High-level KPI Dashboard [to follow]</i>		
Disclosable under FOISA	Yes.		

**BOARD DEVELOPMENT DAY REPORT**

**1. PURPOSE**

This report provides an overview of matters raised at the Board Development Day on 29 October 2019, and outlines potential areas for further consideration or action.

**2. BACKGROUND**

The Edinburgh College Board of Management held its first development day of 2019/20 on Tuesday 29 October at Forth Sector, Duddingston. The event was attended by 11 members of the Board, the Executive Team and the Board Secretary.

The agreed purpose of the day was to focus on the following:

- Review of performance against current Strategic Plan 2017/22 priorities and KPIs.
- Review of the external environment and context.
- Consideration of a new strategic plan and framework that underpins Edinburgh College’s ambition to become ‘A Future Proof College’.

**3. KEY POINTS OF DISCUSSION**

**3.1 Performance against current strategic plan priorities and KPIs**

It was noted that significant progress had been made in identifying relevant KPIs aligned to the Strategic Plan 2017/22, and Board members welcomed the presentation of three-year trend data in this regard.

Discussions took place about the performance of a number of the KPIs, including credit, curriculum, financial and student related indicators. Of note was the discussion on KPI data relating to recognised qualification levels by mode and level over the last three years. Assurances were offered by Executive Team members that actions now included in the EREP were designed to tackle performance issues.

In relation to the future monitoring and reporting of performance against strategic plan KPIs, the following two actions were agreed:

**Action 1:** *The Board agreed that performance reporting against a full set of strategic plan KPIs would be incorporated into the College's Annual Report, and would consequently continue to be reviewed and discussed annually by the Executive Team and the Board*

**Action 2:** *The Board agreed that the Executive should also develop a high-level dashboard (consisting of a smaller number of priority strategic plan KPIs) to indicate in-year progress, and year end progress, and that comparative performance data from the previous years should be included.*

### **3.2 Review of External Environment and Context**

The Board noted the following points in relation to the changing context in which the College operates:

- An ageing population, with consequent impacts on the regional and national workforce profile, and with job vacancies outstripping the supply of young people entering the labour market, and with consequent pressures on the health and social sector.
- An acute and growing gap in the supply of higher skilled and future skilled technicians, affecting business competitiveness, and productivity, across the Scottish economy.
- Post-Brexit impacts leading to reductions in EU migrant labour which support key sectors like tourism and hospitality, and public services.
- The ever-increasing pace of automation and the 4<sup>th</sup> industrial revolution further increasing skills gaps across key sectors.
- Levels of increasing in work poverty, with many finding it hard to progress from low-paid, insecure employment.
- Climate change and the urgent need to move rapidly towards a low-carbon, renewable economy.
- Changing needs and desires of students, requesting more PT and blended learning opportunities.

Further to this, the Board noted a brief summary of other current drivers affecting College business, which included:

- Scottish Funding Council Strategic Plan 2019-22;
- Enterprise and Skills Board Strategic Plan;
- The 15 - 24 learner Journey Review;
- The Commission on Widening Access;
- Post-18 Review of Education and Funding: Independent Panel Report;
- Economic Impact of Colleges Report (Cumberford-Little Report - to be published in early 2020);
- UK Independent Commission on the College of the Future (final report to be published in spring 2020);
- Scottish Government's National Performance Framework.

### **3.3 A Future Proof College**

The Board discussed how the 'Future Proofed College' programme could provide greater opportunities to enhance the student experience, improve the quality of learning, teaching and assessment, inspire staff, increase alternative income, improve partnership activity, and become a more efficient and effective organisation.

In response to discussions held under paragraph 3.2 and 3.3, the following action was agreed:

**Action 3:** *Given the level and speed of change in the environment in which the College operates, and the highly anticipated disruptive nature of that environment, the Board agreed to review and refresh the Strategic Plan in 2019/20 and 2020/21.*

**4. STRATEGIC IMPLICATIONS**

The development day led to an improved understanding of the current and future strategic direction of the College. It also informed Board members about performance against KPIS aligned to the current strategic plan. Agreement to review the current strategic plan is timely, given the rapidly changing internal and external environment.

**5. RISK**

The risk environment at the College is changing, as a result of the drivers identified at the development day. A review of the risk register will be required as a result of board discussions, which will be undertaken by the 10 December.

**6. FINANCIAL IMPLICATIONS**

Current performance against financial targets was discussed at the development day, and a number of drivers affecting current and future financial sustainability were identified for further discussion by the Board. Significantly, what are the College's proposals to meet projected savings targets for 2019/20 and beyond.

**7. LEGAL IMPLICATIONS**

Not applicable.

**8. WORKFORCE IMPLICATIONS**

It was noted that as part of the College's response to the challenging financial environment, there would be implications for workforce planning, matters about which would be discussed at future Policy & Resources Committee meetings.

**9. REPUTATIONAL IMPLICATIONS**

The performance and public reporting of strategic plan KPIs can significantly affect the reputation of the College, especially indicators relating to student satisfaction and student outcomes.

**10. EQUALITIES IMPLICATIONS**

KPIs relating to equal pay, gender balance of courses, and SIMD recruitment were noted by the Board.

**CONCLUSIONS/RECOMMENDATIONS**

The Board are asked to NOTE the key points of discussion/action raised in this report, and CONSIDER if any further action is required.

On 10 December, a high-level KPI Dashboard will be tabled by the Executive for DISCUSSION and APPROVAL as the in-year reporting format going forward.





<b>FOR INFORMATION / DISCUSSION</b>			
Meeting	Board of Management 10.12.19		
Presented by	Carla Ford		
Author/Contact	Carla Ford/Heidi Vistisen	Department / Unit	ECSA
Date Created	29.11.2019	Telephone	-
Appendices Attached	<i>Appendix 1: Class Rep Report 2019</i>		
Disclosable under FOISA	Yes		

**EDINBURGH COLLEGE STUDENTS' ASSOCIATION (ECSA) REPORT**

**1. PURPOSE**

To update the Board on the various activities of ECSA for the months of October and November 2019.

**2. BACKGROUND**

The Student President and the Vice President (Welfare) report to each meeting on the Board, to update the Board on progress against ECSA's annual objectives.

**3. DETAIL**

**3.1 Recent Events**

**3.1.1 Class Rep Recruitment and training**

We have finished another round of successful recruitment and training of Class Reps. There are 587 registered Class Reps at the time of writing with more still being registered. Of registered Reps we have trained 280 in face to face training sessions run across all campuses. We also have a significant number of returning Class Reps who have been trained in previous years. For recruitment of Class Reps we continued the success from last year by producing a video explaining the importance and role of a Class Rep which LDTs and lecturers showed their classes before registering elected reps.

Using this method meant we didn't physically have to go into every single class to speak to students. Instead, we lumped all of our resource into delivering training across all 4 campuses, every single day in the same week (i.e. 4 groups trained per day, 1 on each campus). The outcome of this approach means we have completed the bulk of the training in a much shorter timescale than usual, including mop up sessions just before the October break to prepare reps in time for Class Rep Conferences. The training is also available online for those Reps not elected in time for training or those who were unable to attend.

We asked Class Reps to review the training received after each session and are happy to see 96% of reps feeling fully prepared to be a Class Rep following the training. The best bits of the training as

highlighted by the reps was getting to meet other Class Reps as well as discuss ways of finding solutions to concerns they might have.

The first Class Rep Conference has also taken place since the last report. This focused on Induction & Retention at this crucial time of the year. The report with evidence-based feedback will go to SMT and Academic Council to report on areas of improvement but also all the areas where good practice exists. Students generally have a good time when it comes to settling in, but there are some areas that continue to be a concern and we will work in partnership with all areas of the college to support any changes needed.

### **3.1.2 SAAS Focus groups**

Student Award Agency Scotland was looking for feedback on the usability of their new platform. We supported SAAS to get students engaged and successfully facilitated a session of about 10 attendees.

### **3.1.3 ASIST training**

President, Carla and Representation & Impact Coordinator attended Applied Suicide Intervention Skills Training in beginning of October. The training provides intervention skills should a situation arise where a student is at crisis point and intervention is needed. The training is challenging but we unfortunately see more and more cases of students declaring past or current struggles with suicide, self-harm and mental health in general.

### **3.1.4 World Mental Health Day 2019**

On 10 October the world celebrated 'World Mental Health Day'. We hosted stalls at Granton and Sighthill where we provided tea, coffee and cake. We also had lots of information available, as well as C:Card provision and material on how to speak to loved ones about how they're feeling. Additionally, we asked students and staff to sign a big poster to pledge their support for anyone who might be suffering from ill mental health.

The stalls and the pledge was a great way of chatting to new people, checking in to see that they were doing okay and highlighting that a quick cuppa is a good way to open the door to a conversation.

As well as physical presence on the day, President, Carla also wrote an excellent blog about suicide and how it isn't a taboo anymore. You can read the blog post here:

<https://ecsa.scot/2019/10/presidents-blog-its-time-talk-about-suicide>

### **3.1.5 Voter registration**

With a General Election coming up there have been many efforts to ensure students and young people in general are registered to vote. Within days of the announcement of the election we had voter registration posters up around College as well as on our social media. Our Communication & Events Coordinator created an animated video with voiceover as well as a filmed version to encourage students to get registered.

President, Carla, was also seen on STV news as reporters came out for a photo call along with Electoral Commission. The coverage highlighted the importance of everyone being registered to vote and how easy the process is. Acting students were also involved and covered in the article and footage. See more here: <https://stv.tv/news/politics/1442667-registering-to-vote-quicker-than-ordering-a-pizza/>



### **3.1.9 Housing and finance objectives**

In line with priority objectives on finance literacy and housing rights, we are doing research and working with students to launch a survey to better understand the experiences of Edinburgh College students when it comes to handling money and housing. The survey will go to all students and should hopefully give us data on the experience of students when it comes to housing and finance as well as the main issues they are facing. We will be asking what sort of support they wish was available and in which format so we know how to support.

The Student Engagement Assistants have been vital in the work on housing and finance so far and we expect to have results from this survey in Semester 2 so we can implement any actions by for example creating information booklets, workshops and information on our website. We will be hosting information stalls at vital times of the year as well to offer information about renting pitfalls and vital information about rights of tenants.

### **3.1.10 Coffee with Carla**

We are constantly trying new ways of reaching students and providing valuable insight into ECSA and the wider College community. Our newest initiative is 'Coffee with Carla' where President, Carla, chats about something coming up, something that matters to her or has a chat with someone interesting.

There have been two episodes so far and they can be watched on our Youtube channel via the link below. The first episode was about World Mental Health Day and the activities around that. The second episode was more about funding and speaking to Paul Gilchrist, LDT at Milton Road. They are about 15 minutes long, so pop the kettle on and have a cuppa with Carla.

[https://www.youtube.com/playlist?list=PL\\_GD\\_AXaaGmKmZwjCuVv6yu2LvB7jMkC7](https://www.youtube.com/playlist?list=PL_GD_AXaaGmKmZwjCuVv6yu2LvB7jMkC7)

## **3.2 Current & Upcoming Events**

### **3.2.1 Activities**

As the semester is in full swing so are activities across the campuses. Some existing societies have continued such as Gaming Soc and LGBT society. They've both had a meet up and Gaming Society are fairly regular in their gaming sessions at Granton. LGBT society continues to support the Clothing swap which is now at Sighthill and Milton after it was set up at Granton for a while.

President, Carla, has progressed with her objective to establish 'Men's Support Network' for students to come together and share their experiences, offer peer support and access information about services available to them. The idea is they will support each other, attend events and in turn increase retention. Engagement has been good in the online group with students sharing why they'd like to be part of the group and why they sometimes struggle at College. We are currently having meet ups on all campuses to further the online engagement and setting up face-to-face sessions where they can decide what shape the network should take as well as coming up with a name for the group that matters to them!

The Student Parent group has decided a social out of college hours would be preferable, so they have requested a Saturday meet up where they can bring their children. As we are coming up to Christmas, President Carla, has organised a meet up at Milton on a Saturday morning where there'll be Christmas arts and crafts as well a Christmas film for the kids. This should hopefully encourage conversations about how to continue the group and how ECSA and Edinburgh College can support them as student parents.

### **3.2.2 End of Year socials**

Every year we ask Class Reps for feedback on their experience of being Reps and it's emerged they'd like more opportunities to interact and socialise. We have taken this feedback on board and will trial 'End of year socials' on all campuses where all students are welcome. We will be providing entertainment in the form of Christmas films, games and crafts as well as free food. The idea is for Class Reps to meet others from other courses and share experiences.

### **3.2.3 Low Carbon Travel Project – Go Green!**

The Go Green project (funded by the Climate Challenge Fund) is now in the final 6 months of their 2 year project. Four part-time members of student staff have now been hired to help run the project. So far 2 of them have attended Carbon Literacy training, to help them in their roles and beyond. All assistants are studying very different courses, which is extremely beneficial for the development of tailored classroom material in order to reach more and more students.

The last couple of months have seen further activities happening as part of the project. Five more students have taken part in free fuel-efficient driver training sessions, which can help them save money whilst reducing their emissions. The bespoke Liftshare platform now has 206 members, and 346 personalised travel plans have been made through the website. The team also ran stalls on all campuses for World Mental Health Day – encouraging students to sign up to travel to College in a way that helps both their mental health and the environment.

As the project is in the final 6 months another application has recently been submitted for a further 2 years of funding from CCF. The proposed project would continue to focus on how students travel to College, and also extend to include waste reduction targets. If successful, this would see a Community Fridge and Swap Shop set up on all campuses, where students could access free food, clothes, household items and books – thus creating a sharing economy on campus.

### **3.2.4 16 Days of Action against gender-based violence**

The newly re-established Women's and Feminist Group is running a campaign for 16 days of Action against gender-based violence. They are doing this to raise awareness of the cause, of the new group on campus and to influence knowledge where necessary.

The group has some form of activity happening online or in person every day of the 16 days and is mainly run by 3 students at Granton, one of which is our Student Engagement Assistant, Emily. These activities include sharing pieces of art done by students, sharing blogs written by other students, stalls at lunchtime with pledges and information as well as sharing work done by other institutions and charities and encouraging students to comment their thoughts and engage in a conversation.

### **3.2.5 Board of Trustees**

The ECSA Board of Trustees has been going through recruitment to fill the vacancy of External Trustee. Applications were open through October and beginning of November with interviews scheduled before Christmas, with the intention of a new Trustee to be in place for the next Board of Trustees meeting.

## **4. BENEFITS AND OPPORTUNITIES**

A wide range of benefits and opportunities relating to student engagement are outlined in the report.

## **5. STRATEGIC IMPLICATIONS**

The Board retains an overview of Students' Association activity in the interests of good governance.

- 6. RISK**  
Not applicable.
- 7. FINANCIAL IMPLICATIONS**  
The Board approved the 2019/20 ECSA funding bid in June 2019. The Students' Associations funding for the academic year was subsequently finalised in the College Budget 2019/20
- 8. LEGAL IMPLICATIONS**  
Not applicable.
- 9. WORKFORCE IMPLICATIONS**  
Not applicable.
- 10. REPUTATIONAL IMPLICATIONS**  
Not applicable.
- 11. EQUALITIES IMPLICATIONS**  
Not applicable.

**CONCLUSIONS/RECOMMENDATIONS**

The Board are asked to NOTE the information provided in the ECSA Report.



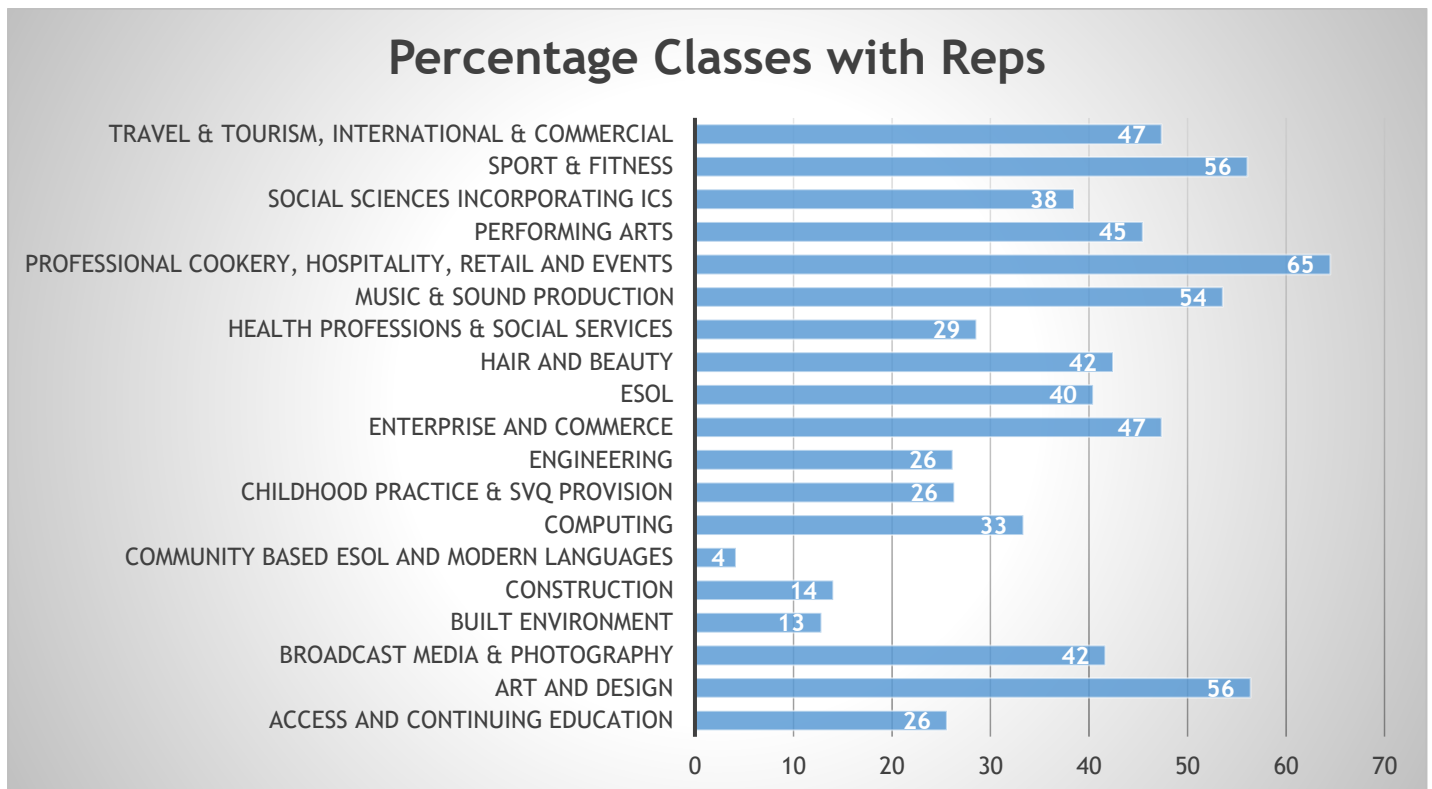
# Class Rep Report

As of 1<sup>st</sup> November 2019

## Current Class Reps

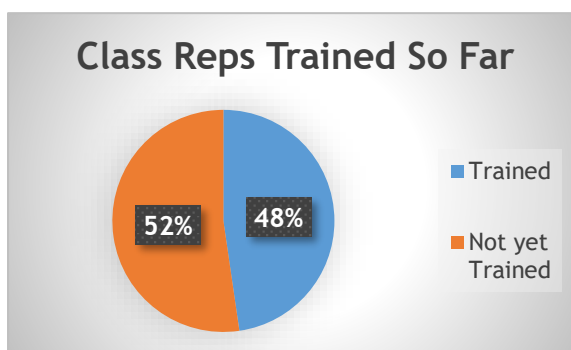
**587 Registered Class Reps** (compared to 500 at same point in 2018)

Although we are well into the year there are some Reps still being registered, but this is more than we have *ever had* previously by the end of October. The chart below shows the number of Classes with Reps broken down into Curriculum area (Note: We have removed any classes with less than 8 students enrolled):



## Training for Class Reps

So far, we have trained **280 Class Reps**, which is **48%** of all currently registered Class Reps.



We also have a significant number of returning Class Reps who have been trained in previous years. For recruitment of Class Reps we continued the success from last year by producing a video explaining the importance and role of a Class Rep which LDTs and lecturers showed their classes before registering elected reps.

Using this method meant we didn't physically have to go into every single class to speak to students. Instead, we lumped all of our resource into delivering training across all 4 campuses, every single day in the same week (i.e. 4 groups trained per day, 1 on each campus).

The outcome of this approach means we have completed the bulk of the training in a much shorter timescale than usual, including mop up sessions just before the October break to prepare reps in time for Class Rep Conferences.

We asked Class Reps to review the training received after each session and are happy to see 96% of reps feeling fully prepared to be a Class Rep following the training.

The best bits of the training as highlighted by the reps was getting to meet other Class Reps as well as discuss ways of finding solutions to concerns they might have.

The training supports students to identify any concerns in their class, teaches them ways of gathering effective feedback and how to implement solutions. The training also focuses on developing skills that are useful when attending course team meetings, which Class Reps should be invited to throughout the year.

Because some students were not able to attend the Class Rep Training in person, we have also made the training available online to ensure we see more Reps receiving vital training.

## What's next?

All Class Reps gets invited to attend Class Rep conferences. They take place 4 times a year across all 4 campuses and are themed in relation to the student journey. At Class Rep Conferences we gather feedback to influence our evidence-based work, which is then collated into reports. Class Reps are also invited to become a part of the Rep Academy, a new initiative this year.

The Rep Academy will act as a next level of representation where Reps are supported to work on specific projects that will have an impact in their areas or studying and interests. This gives us a wider voice and further opportunities to attend ensure the student voice is heard.



Finally, we want to extend a massive thank you for the support from across the college. We are improving the process behind Class Rep elections every year, however it would not be possible without the support from staff across the college.



For the future you want

<b>FOR INFORMATION</b>			
Meeting	Board of Management 10.12.19		
Presented by	Jonny Pearson		
Author/Contact	Jonny Pearson	Department / Unit	Executive
Date Created	28.11.19	Telephone	0131 297 8449
Appendices Attached	No.		
Disclosable under FOISA	No.		

**2019/20 RECRUITMENT, RETENTION & CREDITS UPDATE**

**1. PURPOSE**

This paper aims to provide the Board with an updated overview of the College’s performance against its 2019/20 activity target and to provide ‘year-on-year’ comparative data to enable benchmarking of performance.

The figures in this paper are accurate as of 27 November 2019.

**2. BACKGROUND**

For academic year 2019/20 the SFC set Edinburgh College an activity target of 187,947 credits. This is comprised of:

Core Credits	ESF Credits	Total Credits
<b>186,612</b>	<b>1,335</b>	<b>187,947</b>

As in previous years, the college is required to achieve its core credits (186,612) before we are able to claim the 1,357 ESF credits.

In addition to this, SFC have again given us a target of achieving 6,639 Early Years credits as part of the 186,612 core. We plan to exceed this target again this year.

Our current credit position is **163,630**.

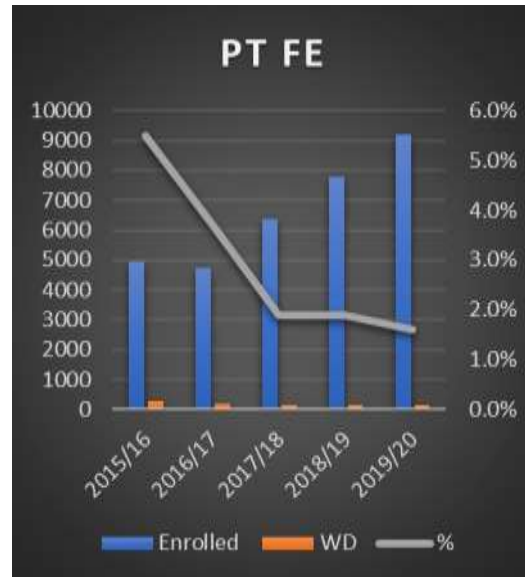
**3. DETAIL**

The following section will provide data from the last five academic years for comparison, including enrolments and withdrawals (WD) for full-time and part-time further education and higher education learners:

FT FE	Enrolled	WD	%
2015/16	5641	493	8.7%
2016/17	5443	456	8.4%
2017/18	5642	457	8.1%
2018/19	5072	441	8.7%
2019/20	5071	439	8.7%



PT FE	Enrolled	WD	%
2015/16	4956	272	5.5%
2016/17	4727	176	3.7%
2017/18	6383	121	1.9%
2018/19	7801	147	1.9%
2019/20	9180	148	1.6%

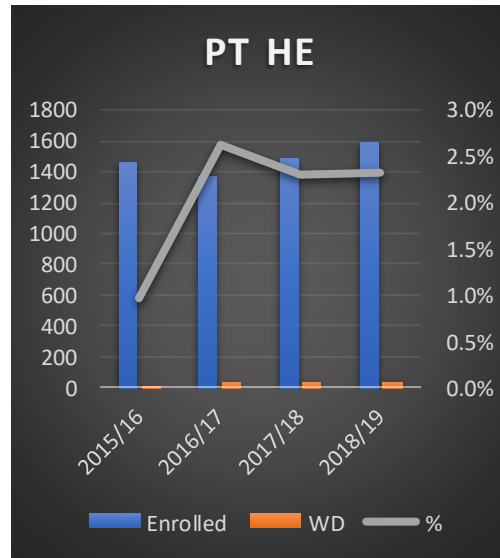


FT HE	Enrolled	WD	%
2015/16	3653	169	4.6%
2016/17	3821	169	4.4%
2017/18	3811	118	3.1%
2018/19	3746	156	4.2%
2019/20	3469	129	3.7%

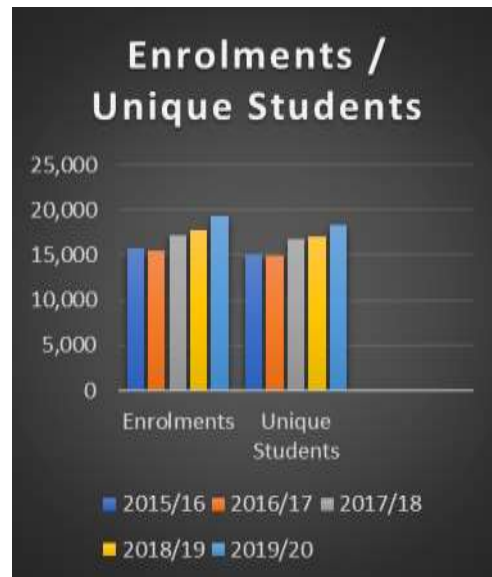




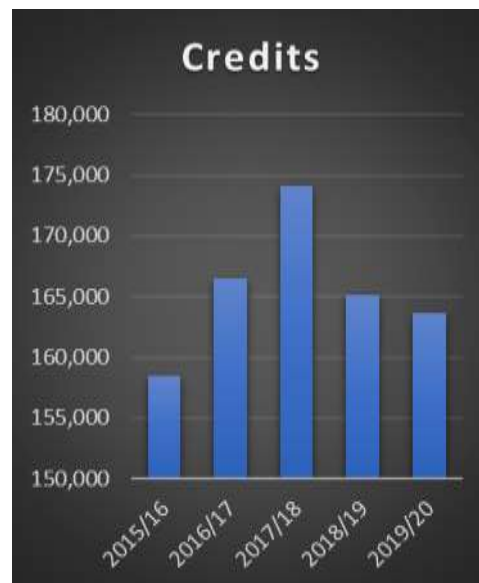
PT HE	Enrolled	WD	%
2015/16	1461	14	1.0%
2016/17	1375	36	2.6%
2017/18	1483	34	2.3%
2018/19	1589	37	2.3%
2019/20	1581	35	2.2%



AY	Enrolments	Unique Students
2015/16	15,763	15,021
2016/17	15,486	14,988
2017/18	17,148	16,786
2018/19	17,805	17,068
2019/20	19,258	18,304



AY	Credits
2015/16	158,445
2016/17	166,470
2017/18	174,127
2018/19	165,111
2019/20	163,630



## **Data Analysis**

- Average early withdrawal (EW%) has improved from 4.3% in 2018 to 3.7% in 2019 - through changes to our enrolment process and an improved induction.
- EW% has improved in target areas of FT FE and FT HE by 0.2% and 0.5% - respectively.
- Enrolments have increased by 1,453 (8.2%) year-on-year.
- Unique students have increased by 1,236 (7.3%) year-on-year.
- Credits have fallen by 1,481(0.9%) year-on-year:
  - Part-time students have increased by 1,371 (15%) year-on-year;
  - Full-time students have decreased by 278 (3.2%) year-on-year;
  - We have an additional 3,000 credits planned for Semester 2.

Therefore, despite increasing the numbers of students studying at Edinburgh College, we are actually generating less credits.

## **Semester 2 Applications**

We have currently received 1,972 applications for Semester 2 courses. This is 367 (23%) more than this date last year.

### **4. BENEFITS AND OPPORTUNITIES**

By evaluating last year's retention figures we have implemented changes designed to further improve our PI's for 2019/20. We have an action plan which is already showing year-on-year progress and we have introduced more 'granular' performance review including Curriculum Leaders and Lecturers.

### **5. STRATEGIC IMPLICATIONS**

The Board is responsible for the financial sustainability of the College. It is Good practice for the Board to monitor all areas of performance that can impact on the College's viability.

### **6. RISK**

The Risk Assurance & Management Group at its last meeting noted that whilst there was an improvement in both Recruitment and Retention the risk score for each should remain the same.

### **7. FINANCIAL IMPLICATIONS**

Bodies fundable by the SFC are required by the Financial Memorandum to deliver their outcome agreement. Failure to achieve targets agreed with the SFC may result in financial clawback.

### **8. WORKFORCE IMPLICATIONS**

Not applicable.

### **9. REPUTATIONAL IMPLICATIONS**

Achieving this level of continued growth improves our reputation and helps both Scottish Government and SFC have confidence in the direction of travel of Edinburgh College.

### **10. EQUALITIES IMPLICATIONS**

Not applicable.

## **CONCLUSIONS/RECOMMENDATIONS**

The Board of Edinburgh College are asked to NOTE the information provided by the Vice Principal.



For the future you want

<b>FOR INFORMATION / DISCUSSION</b>			
Meeting	Board of Management 10.12.19		
Presented by	Alan Williamson		
Author/Contact	Lindsay Towns	Department / Unit	Finance
Date Created	02.12.19	Telephone	-
Appendices Attached	<i>Appendix 1: Management Accounts to October 2019 (with commentary)</i>		
Disclosable under FOISA	Yes.		

**MANAGEMENT ACCOUNTS TO OCTOBER 2019**

1. **PURPOSE**  
To provide the Board of Management with an update on the financial performance of the College.
2. **BACKGROUND**  
The Board are asked to review the management accounts at each meeting, in order to assess the College’s current financial position.
3. **DETAIL**  
Contained within Appendix 1.
4. **BENEFITS AND OPPORTUNITIES**  
The Board is responsible for the financial sustainability of the College, and it is considered good practice to monitor all areas of performance that can impact on the College’s viability.
5. **STRATEGIC IMPLICATIONS**  
Content inherent within strategic objectives.
6. **RISK**  
Content assists monitoring College’s financial performance.
7. **FINANCIAL IMPLICATIONS**  
Inherent within content.
8. **LEGAL IMPLICATIONS**  
Some content may cover legal issues.
9. **WORKFORCE IMPLICATIONS**  
Some content may cover workforce issues.

**10. REPUTATIONAL IMPLICATIONS**

None.

**11. EQUALITIES IMPLICATIONS**

None.

**CONCLUSIONS/RECOMMENDATIONS**

The Board are asked to DISCUSS and NOTE the Management Accounts to October 2019.



**FINANCIAL REPORT**  
**3 MONTHS TO 31 OCTOBER 2019**

**CONTENTS**

Report from Chief Operating Officer

1. Executive Summary
2. Credit Activity
3. Income Analysis
4. Expenditure Analysis
5. Staff Cost Analysis
6. Trading Department
7. Cash-flow
8. SFC Reporting
9. Balance Sheet
10. Key Performance Data

**Appendices:**

1. Income and Expenditure Account Summary and Detail.
2. Balance Sheet
3. Cash-flow

**DISTRIBUTION**

Executive Team  
Board of Management P&R Committee  
Senior Management Group

The following report provides an update on the financial position of  
Edinburgh College at 31<sup>st</sup> October 2019

## 1. EXECUTIVE SUMMARY

### Credit Activity

1.1 The SFC have agreed Edinburgh College's activity target for academic year 2019/20 at **186,612** credits, together with an ESF target of **1,335** credits. Total **187,947** credits.

At 14<sup>th</sup> November, the College has achieved **162,845** credits.

### 1.2 Adjusted Operating Position

As per SFC Measurement basis	<u>Annual Budget 2019/20</u>	<u>YTD Budget 2019/20</u>	<u>YTD Actuals 2019/20</u>	<u>YTD Variance 2019/20</u>	<u>Previous YTD 2018/19</u>	<u>Full Year Forecast 2018/19</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<b>I&amp;E Operating Position (pre Enhanced Pension Provision Charge but including SFC Grant Repayment of £0.5m in 2018/19)</b>	<b>(1,735)</b>	<b>(440)</b>	<b>(473)</b>	<b>(34)</b>	<b>106</b>	<b>(1,847)</b>
<b>Add:</b>						
Depreciation net of deferred capital grant release	2,509	728	728	-	630	2,509
Exceptional Item - SFC Grant Repayment	-	-	-	-	-	-
<b>Deduct:</b>						
Revenue funding allocated to loan repayments	774	194	194	-	312	774
<b>Adjusted Operating Position</b>	<b>-</b>	<b>94</b>	<b>61</b>	<b>(34)</b>	<b>424</b>	<b>(111)</b>

The College's adjusted operating position excludes non-cash items included in the income and expenditure account (pension, depreciation and (gain) / loss on disposal of assets, net of deferred capital grant release), repayments of SFC Grant funding and capital loan repayments (not included in the income and expenditure account).

### 1.3 Income and Expenditure

	<u>Annual Budget 2019/20</u>	<u>YTD Budget</u>	<u>YTD Actuals</u>	<u>YTD Variance</u>	<u>Previous YTD</u>	<u>Full Year Forecast</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Funding Council Grants	48,695	7,226	7,236	10	7,150	48,715
Tuition Fees and Commercial & Other Income	15,676	8,167	8,027	(141)	8,183	15,114
Deferred Income	2,974	720	720	-	881	2,974
<b>Total Income</b>	<b>67,345</b>	<b>16,113</b>	<b>15,983</b>	<b>(131)</b>	<b>16,214</b>	<b>66,803</b>
Staff Costs	48,970	11,825	11,716	109	11,079	48,539
Other Costs	14,627	3,279	3,291	(12)	3,518	14,627
Depreciation	5,484	1,449	1,449	-	1,511	5,484
<b>Total Expenditure</b>	<b>69,080</b>	<b>16,553</b>	<b>16,456</b>	<b>97</b>	<b>16,108</b>	<b>68,650</b>
<b>Operating (Deficit) / Surplus</b>	<b>(1,735)</b>	<b>(440)</b>	<b>(473)</b>	<b>(34)</b>	<b>106</b>	<b>(1,847)</b>

1.4 The College's annual budgeted operating position for the year shows a deficit of £1.735m, which results in an adjusted operating budget position for the year of break-even (refer para 1.2 for details). The operating position to October shows a deficit of £473k, against a profiled budgeted deficit of £440k. The main variances are:

- A favourable expenditure variance in staff costs of £109k as a result of vacancy churn and current unfilled vacant posts
- An adverse income variance within tuition fees of £113k (SAAS and HEFT fees)
- An adverse income variance within other income of £28k (net Nursery activity).

Continuing discussions with budget managers maintain the earlier indication of most income lines (excluding SAAS and HEFT tuition fees) being in line with profiled budget to date, although SAAS full year forecast has been further reduced by £100k. The majority of non-staff costs are broadly in line with budget. However, in comparison to the full year budget (at both an operating and adjusted operating position), there is an overall adverse annual forecast movement of £111k, which is made up as follows:

	<b>£k - Fav / (Adv)</b>
Recurrent Grant Income (Job Evaluation funding deferred from 2018/19)	19
HE tuition fees	(50)
SAAS income	(400)
Nursery income	(111)
Staffing Costs (refer para 6.1) partly offset by £19k of agency and additional hours claims.	431
<b>Total movement affecting cash:</b>	<b>(111)</b>

1.5 The annual budget includes cost of living increases for support staff of £0.6m and lecturing staff of £1.1m. In future years; cost reductions and/or additional income will be required to meet these recurring costs.

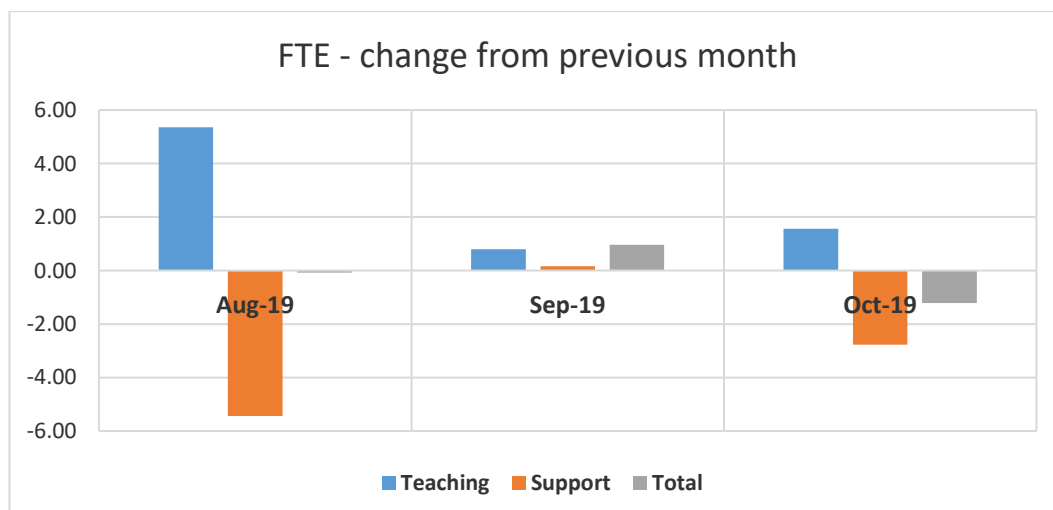
An increased STSS employer pension contribution rate (from 17.2% to 23%) commenced on 1<sup>st</sup> September 2019. The annual cost of the increase will be circa £1.3m, which will be fully funded by the SFC for the period 1 Sept 2019 to 31 March 2020. The SFC have advised that these costs should be fully covered from April 2020 onwards (confirmation awaited). The cost of the pension rate increase and associated funding (for the year) have both been included in the College's budget.

1.6 **Staff (Full Time Equivalent)**

FTE	31/07/19	31/10/19	Movement	31/10/18
Teaching	477.8	485.6	7.8	490.7
Support	534.5	526.4	(8.1)	578.1
	1,012.3	1,012.0	(0.3)	1,068.8

The reduction in support staff is the result of vacancies in Estates and Student Experience.

**FTE Staff movements by month are shown below:**



## 1.7 Cash

Opening cash	Month-end cash	Forecast year-end cash	Comments
01/08/2019	31/10/2019	31/07/2020	
£'m.	£'m.	£'m.	
0.9	4.0	(0.8)	The opening and month-end cash includes £0.2m of 2018/19 underspent student support funds to be returned to the SFC. The negative forecast cash balance for the year-end includes a net cash outflow of £1.0m of student support funds and excludes £0.4m of expected SFC funding for increased employer pension contribution rates (refer section 7).

## 1.8 Capital Expenditure

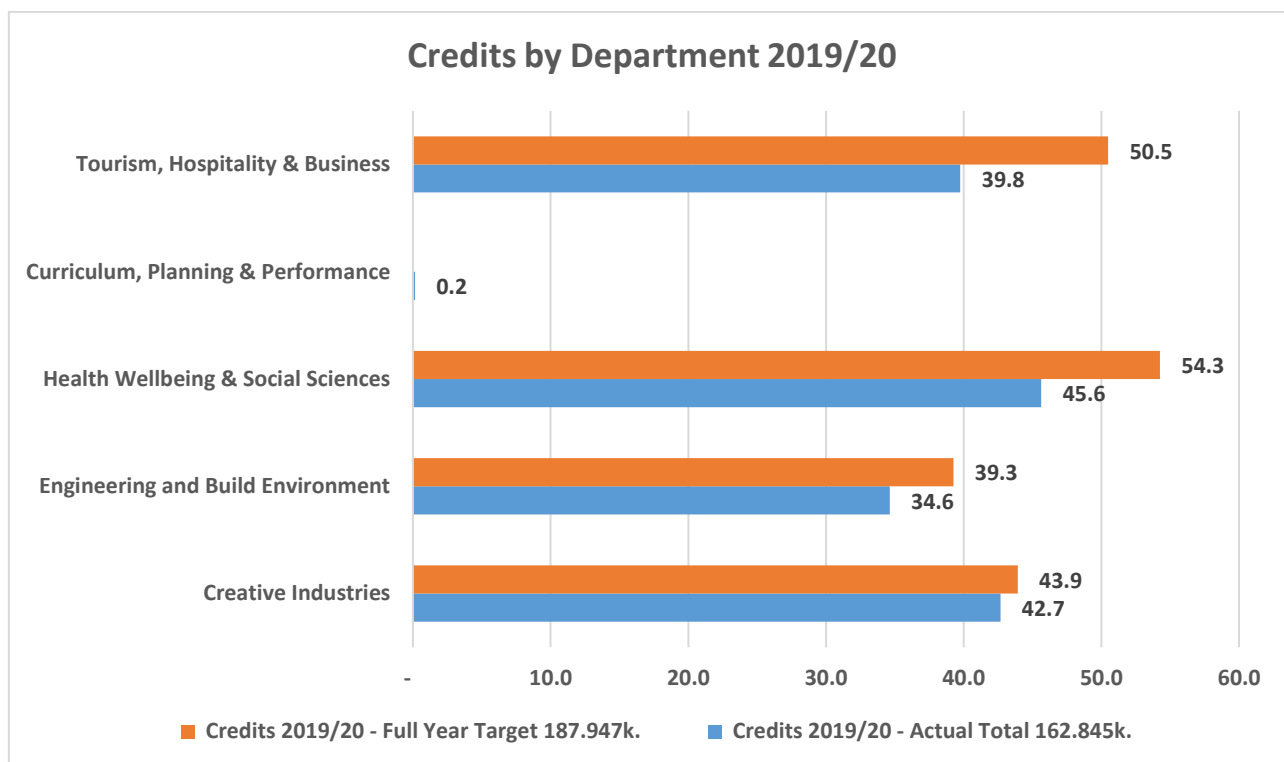
Opening Fixed Assets	Additions YTD	Depreciation	Closing Fixed Assets	Comments
01/08/2019	31/10/2019	31/10/2019	31/10/2019	
£'m.	£'m.	£'m	£'m.	
159.7	0.2	(1.5)	158.4	£1.5m of funds, in total, have been assigned for capital priorities and backlog maintenance works for the 2019/20 financial year. £0.2m of work in progress has been incurred since the beginning of the academic year (building fabrics and the refurb of social spaces), with a further £0.5m committed.

## 2. CREDIT AND STUDENT ACTIVITY

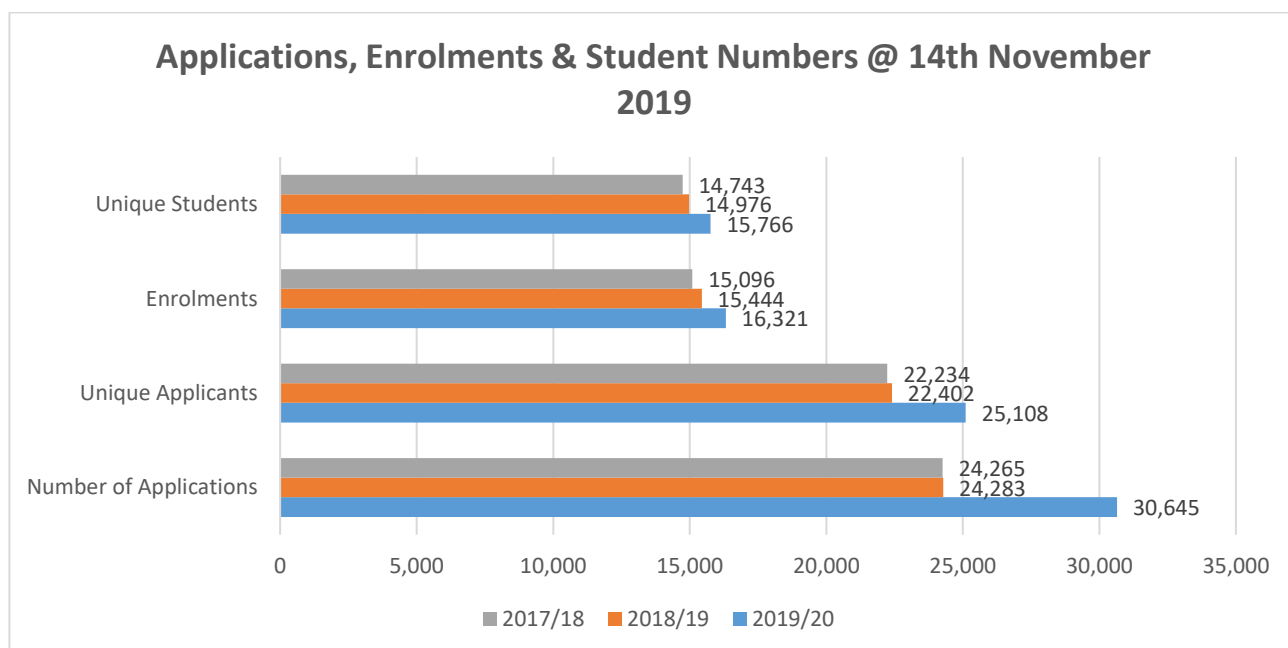
- 2.1 The College achieved its credit targets (including ESF and additional childcare activity) in 2018/19 with a final figure achieved of 188,030 credits against its target credit level of 187,968 credits. The activity target for the 2019/20 academic year is 187,947 credits, which includes an additional 1,335 credits for ESF funding subject to our core credit target being achieved in the year.
- 2.2 Current enrolment figures continue to be encouraging although there is growth in part-time students which partially off-sets a decrease in full-time students. However, SFC funding is secured on students being retained beyond the 1st November to secure SFC funding. The College has achieved **162,845 credits** at 14<sup>th</sup> November 2019.
- 2.3 There is a comprehensive list of short full-time and part-time courses planned for semester 2.



2.3 The “Credits by Department” table (below) shows a comparison of faculty performance for the year against full year targets.



2.4 The following table shows a comparison of Applications, Enrolments and Unique Student numbers over the years 2017/18 to 2019/20 (to date).



### 3. INCOME ANALYSIS

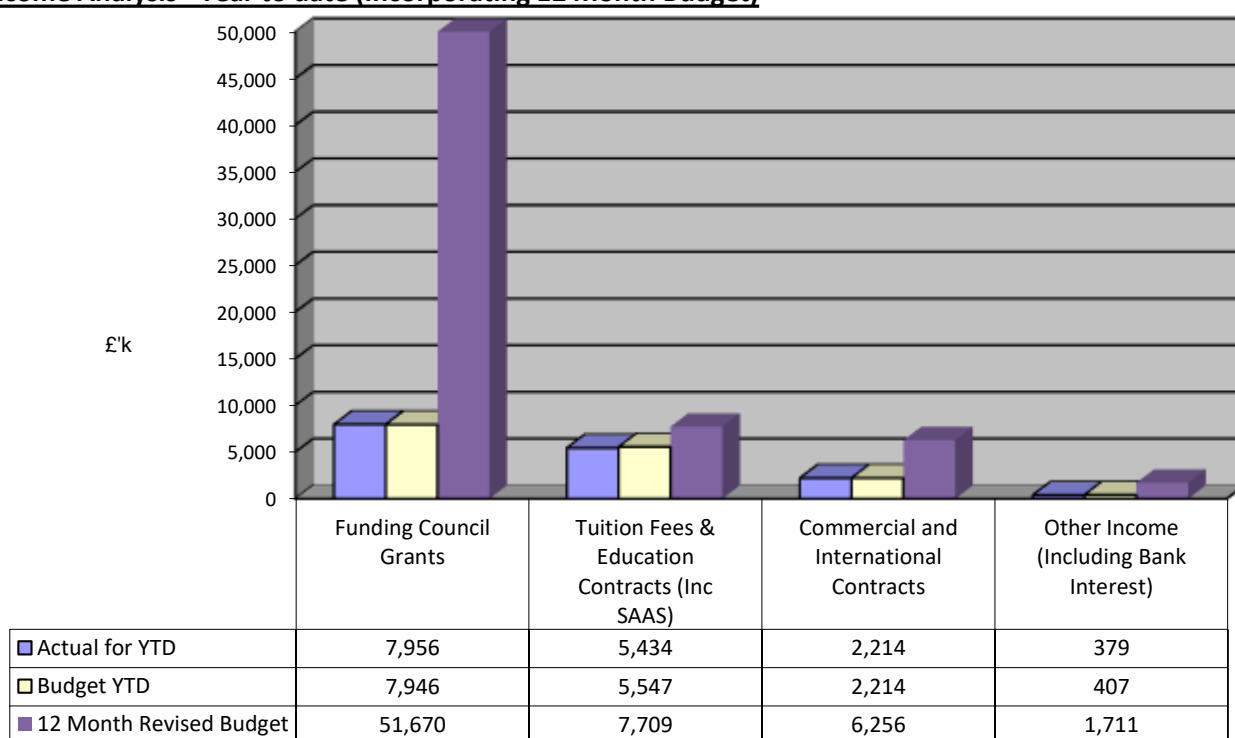


For the future you want

#### Income Expanded Account Detail for the 3 Months to 31st October 2019

	<u>Original Annual Budget</u> £000s	<u>Revised Annual Budget</u> £000s	<u>YTD Budget</u> £000s	<u>YTD Actuals</u> £000s	<u>YTD Variance</u> £000s	<u>Previous YTD</u> £000s	<u>Year End Projection</u> £000s
<b>INCOME</b>							
Funding Council Grants	51,670	51,670	7,946	7,956	10	8,031	51,689
Tuition Fees & Education Contracts	7,709	7,709	5,547	5,434	(113)	6,060	7,259
Commercial & International	6,256	6,256	2,214	2,214	0	1,422	6,256
Other Income	1,711	1,711	407	379	(28)	701	1,600
<b>TOTAL INCOME</b>	<b>67,345</b>	<b>67,345</b>	<b>16,113</b>	<b>15,983</b>	<b>(131)</b>	<b>16,214</b>	<b>66,803</b>

#### Income Analysis - Year to date (Incorporating 12 Month Budget)



- 3.1 Total income for the year to date is £16.0m which is £0.1m lower than the profiled budget year to date figure of £16.1m.
- 3.2 Grant-in-Aid income across all credit-bearing areas has been brought to account on the presumption that credit activity is on target. The overall Grant-in-Aid income forecast for the year has been increased by £19k to reflect the deferral of Job Evaluation (JE) funding from 2018/19, which is being used to support associated JE work being undertaken (through agency costs and additional hours claims) in the early part of 2019/20. The forecast for staff costs has correspondingly been adjusted by £19k.
- 3.3 Following the ongoing review of student numbers, the annual forecast for tuition fees has been reduced in October by a further £100k to £450k (lower SAAS (-£400k) and HEFT fees (-£50k)). The other tuition fees targets are currently in line with profiled budgets.
- 3.4 Commercial and international performance to date is currently in line with expectations, although a detailed review is underway. The Flexible Workforce Development programme (FWDF) shows £877k committed to date (full year income budget £1.6m) which is up on the same period last year. The business development team is focused on concluding FWDF year 3 activity as quickly as possible whilst managing the delivery of the latest programme. The team have identified new opportunities within bespoke courses especially within Automotive and Built Environment, winning a tender (£5k) for provision of educational materials to schools which adds to the continued buildup of income through Hybrid Automotive Maintenance training. The SDS team have commenced delivery of the Foundation

Apprenticeship (FA) programme for 2019/20 and have received confirmation of 298 places with a maximum contract value of £1.4m. Initial Modern Apprenticeship recruitment has been positive and continues.

The team have commenced the new English for Childcare project in China which adds to the list of International projects. As anticipated, Panama activity will change this year as there will be an emphasis on in-country delivery. The effect of this activity on income streams is currently being quantified. At present the target for international income (£1.6m) remains unchanged.

The 2019/20 intake of accommodation students is currently showing a small reduction from the previous year (78 new students compared to 83 in 2018/19). However, retention is higher than last year and with the higher price being in place for the current session this indicates revenue being maintained at previous levels. Sales are down, at present, across a range of Club activities, owing to an increasingly competitive market place, although there are plans to bolster revenue streams through an enhanced marketing drive.

Income from bespoke courses is currently on track to achieve its full year target (£0.6m). However, risks have been flagged in relation to scheduled courses revenue (full year target £0.7m). Meetings have been held with each faculty to review current and pipeline activity, on a course by course basis, compared to target. Contingency plans are being put in place to try to offset income shortfalls.

#### 4. EXPENDITURE ANALYSIS

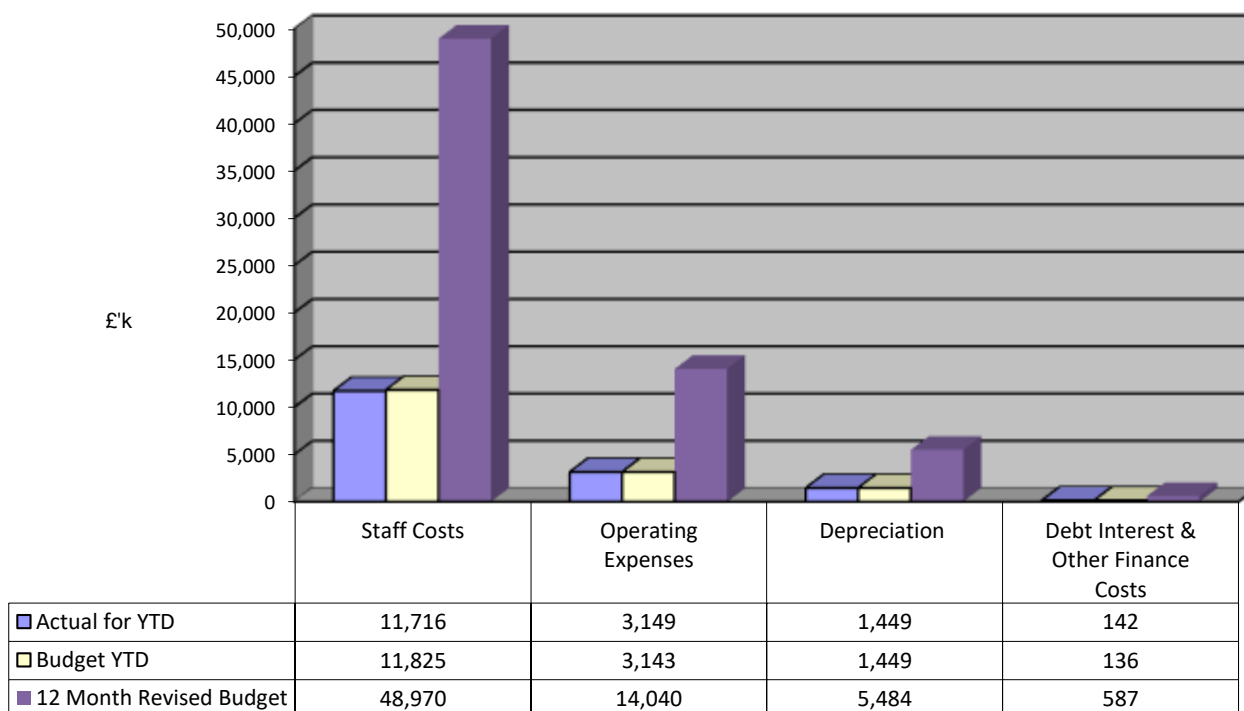


For the future you want

##### Expenditure Expanded Account Detail for the 3 Months to 31st October 2019 (Ex Staff Costs)

	<u>Original Annual Budget</u> £000s	<u>Revised Annual Budget</u> £000s	<u>YTD Budget</u> £000s	<u>YTD Actuals</u> £000s	<u>YTD Variance</u> £000s	<u>Previous YTD</u> £000s	<u>Year End Projection</u> £000s
Other Operating Expenses	14,040	14,040	3,143	3,149	(6)	3,366	14,040
Depreciation for the year	5,484	5,484	1,449	1,449		1,511	5,484
Debt Interest & Other Finance Costs	587	587	136	142	(6)	152	587
<b>Total Expenditure (Ex Staff Costs)</b>	<b>20,110</b>	<b>20,110</b>	<b>4,728</b>	<b>4,740</b>	<b>(12)</b>	<b>5,029</b>	<b>20,110</b>

##### Expenditure Analysis - Year to date (Incorporating 12 Month Budget)



4.1 Total expenditure for the year to date is £16.5m, £0.1m lower than the profiled budget of £16.6m. As the above table illustrates, most 'other operating expenses' budgets continue to be in line with expectations.

## 5. STAFF COST ANALYSIS



### Staffing Expanded Account Detail for the 3 Months to 31st October 2019

	<u>Original Annual Budget £000s</u>	<u>Revised Annual Budget £000s</u>	<u>YTD Budget £000s</u>	<u>YTD Actuals £000s</u>	<u>YTD Variance £000s</u>	<u>Previous YTD £000s</u>	<u>Year End Projection £000s</u>
<b>Staff Costs</b>							
Senior Management	1,594	1,594	385	387	(2)	363	1,594
Academic Departments	25,987	25,987	6,079	6,043	36	5,526	25,587
Academic Services	5,132	5,132	1,274	1,228	46	1,101	5,132
Admin & Central Services	12,191	12,191	3,023	2,984	40	2,877	12,141
Premises	1,467	1,467	367	357	10	330	1,467
Catering & Residences	34	34	8	8	0	237	34
Temporary, Agency & Staff Bank Costs	1,615	1,615	450	437	13	416	1,634
Other Staffing Expenditure	950	950	238	272	(34)	230	950
	<b>48,970</b>	<b>48,970</b>	<b>11,825</b>	<b>11,716</b>	<b>108</b>	<b>11,079</b>	<b>48,539</b>

- 5.1 Due to the favorable effects of vacancy churn and unfilled vacant posts, staff costs are currently £0.1m lower than the profiled budget. Full year staffing costs are currently expected to settle the year at £48.5m, which is £0.4m below full year budget.

## 6. TRADING DEPARTMENT

	Nursery			
	YTD Oct 2019			
	Full Year Budget (£000)	YTD Revised Budget (£000)	YTD Actuals (£000)	Full Year Forecast (£000)
Income	990	243	215	879
Staffing Expenditure	(964)	(241)	(221)	(964)
Non-Staffing Expenditure	(47)	(5)	(5)	(47)
<b>Net (Deficit) Contribution Towards Associated Costs</b>	<b>(21)</b>	<b>(3)</b>	<b>(11)</b>	<b>(132)</b>

- 6.1 The above information provides an overview of the current nursery trading position.
- 6.2 Following the review of average forecast children intake compared to the daily Nursery capacity, the full year income forecast for the nursery remains reduced by £111k.

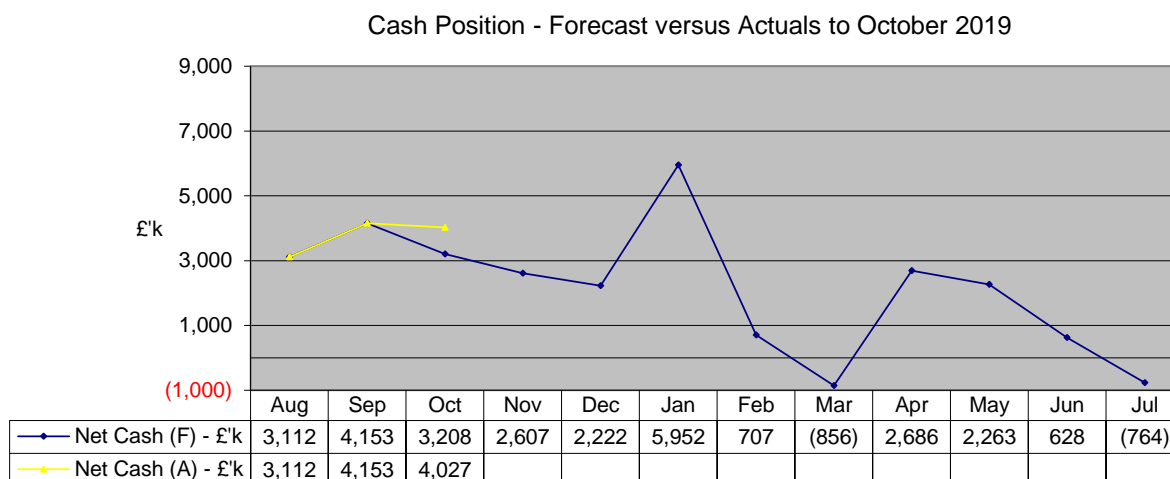
## 7. CASH-FLOW

- 7.1 The cash balance at the end of October is £4m, which includes £1.47m of student support funds.

In line with reporting to the SFC the forecast balance for the year-end (an overdrawn position of £0.8m)

- includes the adverse effects of the current shortfall within Nursery income.
- excludes cash receipts relating to the SFC funding (£0.4m) for increased STSS employer pension contribution rates from April (see 1.5 above).
- Includes a £1m student support fund projected net outflow. Payments are projected to exceed the associated 2019/20 SFC student support grant allocation, as the allocation for the year was based upon lower prior year actual expenditure, whilst guidance regarding EMA eligibility funding claims has also been recently tightened. As was the case in 2018/19 the College may receive additional funding to bridge the current gap within student support funds, once the SFC's in-year grant redistribution has been finalised.

The chart below shows the forecast (blue) cash position through the year compared to the actual (yellow) cash position.



## 8. SFC REPORTING

8.1 The recently submitted October SFC Cash Flow return was in line with the month end cash flow included as part of this commentary.

## 9. BALANCE SHEET

<b><u>Balance Sheet as at 31 October 2019</u></b>		<u>At 31 October 2019</u>	<u>At 31 July 2019</u>	YTD Mvmt
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Fixed Assets	Land and Buildings	150,318	151,268	(950)
	Fixtures, fittings and Equipment	8,127	8,384	(257)
		<u>158,445</u>	<u>159,652</u>	<u>(1,207)</u>
Current Assets	Stock	95	54	41
	Debtors	7,245	3,699	3,546
	Cash - Main	2,491	586	1,905
	Cash - Student Support	1,536	350	1,186
Total		<u>11,367</u>	<u>4,689</u>	<u>6,678</u>
Creditors		(71,354)	(65,222)	(6,132)
Bank Loans		(9,576)	(9,692)	116
Provisions		(30,994)	(31,066)	72
		<u>57,887</u>	<u>58,361</u>	<u>(474)</u>
Funded by:				
Reserves		57,887	58,361	(474)
		<u>57,887</u>	<u>58,361</u>	<u>(474)</u>

9.1 The movements in Cash and Fixed Assets are shown in the sections above. The increase in debtors is due to the invoicing of fees at the start of the year, whilst the increase in creditors largely represents SFC Grant-in-Aid cash received but not released into the Income Statement.

## 10. KEY PERFORMANCE DATA

Financial Performance Monitoring Template							
	2018/19 Annual Target			2019/20 Annual Target	2019/20 YTD Actuals		2018/19 Annual Out-turn
Credits	186,612			186,612	162,845		186,674
Credits ESF	1,356			1,335	n/a		1,356
	2018/19 Annual Budget	2019/20 Annual Budget	Revised Annual Budget	2019/20 YTD Budget	2019/20 YTD Actuals	YTD Variance	Previous YTD
	£k	£k	£k	£k	£k	£k	£k
Adjusted Operating Position	1,394	-	-	96	62	(35)	106
Commercial & International Contracts	5,706	6,256	6,256	2,214	2,214	-	1,420
Income	67,320	67,345	67,345	16,113	15,983	(131)	16,215
Expenditure	67,320	69,080	69,080	16,552	16,456	96	16,108
Operating Surplus / (Deficit) pre SSAP24	-	(1,735)	(1,735)	(439)	(473)	(35)	106
Net Cash Inflow / (Outflow)	(263)	(1,589)	(1,589)	3,090	3,090	-	1,567
Bank Balance	681	(563)	(563)	4,027	4,027	-	2,511
Fixed Assets	158,032	154,565	154,565	158,445	158,445	-	161,287
Net Current assets / (liabilities)	(5,702)	(4,957)	(4,957)	(5,205)	(5,205)	-	(5,197)
Creditors and Provisions	(75,876)	(91,807)	(91,807)	(95,352)	(95,352)	-	(79,526)
Net Assets	76,454	57,801	57,801	57,887	57,887	-	76,564
Pay costs % of Income	% 69.9	72.7	72.7	73.4	73.3	(0.1)	68.3
Current Ratio	0.33	0.57	0.57	0.69	0.69	-	0.67
Cash Days in Hand	(29)	(31)	(31)	(32)	(32)	-	(33)
Borrowings as % of reserves	% 7.7	8.0	8.0	8.5	8.5	-	7.6



For the future you want

## I&E Account for the 3 Months to 31st October 2019

	<u>Original Annual Budget</u> £000s	<u>YTD Budget</u> £000s	<u>YTD Actuals</u> £000s	<u>YTD Variance</u> £000s	<u>Previous YTD</u> £000s	<u>Year End Projection</u> £000s
Funding Council Grants	48,695	7,226	7,236	10	6,950	48,714
Deferred Capital Grant Releases	2,974	720	720		881	2,974
Debt Support Grant					200	
Tuition Fees and Education Contracts (inc SAAS)	7,709	5,547	5,434	(113)	6,060	7,259
Commercial and International Contracts	6,256	2,214	2,214	0	1,422	6,256
Other Income	1,711	407	379	(28)	701	1,600
<b>Total Income</b>	<b>67,345</b>	<b>16,113</b>	<b>15,983</b>	<b>(131)</b>	<b>16,214</b>	<b>66,803</b>
Staff Costs	48,970	11,825	11,716	109	11,079	48,539
Other Operating Expenses	14,040	3,143	3,149	(6)	3,366	14,040
Depreciation for the year	5,484	1,449	1,449		1,511	5,484
Debt Interest & Other Finance Costs	587	136	142	(6)	152	587
<b>Total Expenditure</b>	<b>69,080</b>	<b>16,553</b>	<b>16,456</b>	<b>97</b>	<b>16,108</b>	<b>68,650</b>
<b>Operating (Deficit) / Surplus pre SSAP24 Enhanced Pension Provision Charge</b>	<b>(1,735)</b>	<b>(440)</b>	<b>(473)</b>	<b>(34)</b>	<b>106</b>	<b>(1,847)</b>
<b>Adjusted Operating Position:</b>						
<b>Operating (Deficit) / Surplus pre SSAP24 Enhanced Pension Provision Charge</b>	<b>(1,735)</b>	<b>(440)</b>	<b>(473)</b>	<b>(34)</b>	<b>106</b>	<b>(1,847)</b>
<b>Add:</b>						
Depreciation net of deferred capital grant release	2,509	728	728		630	2,509
<b>Deduct:</b>						
Revenue funding allocated to loan repayments	774	194	194		312	774
<b>Adjusted Operating Position</b>	<b>0</b>	<b>94</b>	<b>61</b>	<b>(34)</b>	<b>424</b>	<b>(111)</b>

	<u>Original Annual Budget</u> <u>£000s</u>	<u>YTD Budget</u> <u>£000s</u>	<u>YTD Actuals</u> <u>£000s</u>	<u>YTD Variance</u> <u>£000s</u>	<u>Previous YTD</u> <u>£000s</u>	<u>Year End Projection</u> <u>£000s</u>
<b><u>INCOME</u></b>						
<b><u>Funding Council Grants</u></b>						
Recurrent Grant Inc Fee Waiver	45,591	6,587	6,597	10	6,280	45,610
Childcare Funds	1,500	262	262		301	1,500
Deferred Capital Grants	2,974	720	720		881	2,974
Debt Support Grants					200	
Other SFC Grants	1,604	376	376	(0)	369	1,604
	<b>51,670</b>	<b>7,946</b>	<b>7,956</b>	<b>10</b>	<b>8,031</b>	<b>51,689</b>
<b><u>Tuition Fees &amp; Education Contracts</u></b>						
FE - UK & EU	50	46	46	(0)	65	50
HE - UK & EU	359	221	208	(13)	179	309
PT Self Payers	438	369	369	(0)	344	438
Examination Fee Income	20	11	11		10	20
SAAS	4,455	3,778	3,678	(100)	3,968	4,055
SAAS - Commercial	47	18	18	0		47
Associate Degree Fees	805	772	772	0	826	805
Managing Agents	1,535	334	334	(0)	434	1,535
Edinburgh Council - Pre Emp Contract					234	
	<b>7,709</b>	<b>5,547</b>	<b>5,434</b>	<b>(113)</b>	<b>6,060</b>	<b>7,259</b>
<b><u>Commercial &amp; International</u></b>						
International	1,634	532	532	(0)	472	1,633
SDS	715	89	89		86	715
EH15 and The Apprentice Restaurants	48	5	5		6	48
Bliss SPA and Employability Salons	100	25	25	0	19	100
Gym	332	80	80		80	332
Residences	541	149	149		99	541
Bespoke Contracts for Employers	611	196	196	0	344	611
Scheduled Short Courses	654	262	262		109	654
Flexible Workforce Development Fund	1,622	877	877		205	1,622
	<b>6,256</b>	<b>2,214</b>	<b>2,214</b>	<b>0</b>	<b>1,420</b>	<b>6,256</b>
<b><u>Other Income</u></b>						
Catering	16				374	16
Nursery	990	243	215	(28)	195	879
Access Centre Provision	150	45	45		35	150
Other Income Generating Activities	545	118	118	(0)	97	548
	<b>1,701</b>	<b>405</b>	<b>378</b>	<b>(28)</b>	<b>701</b>	<b>1,593</b>
<b><u>Endowment &amp; Investment</u></b>						
Bank Interest	10	1	1		2	6
	<b>10</b>	<b>1</b>	<b>1</b>		<b>2</b>	<b>6</b>
<b>TOTAL INCOME</b>	<b>67,345</b>	<b>16,113</b>	<b>15,983</b>	<b>(131)</b>	<b>16,214</b>	<b>66,803</b>
<b><u>EXPENDITURE</u></b>						
<b><u>Staff Costs</u></b>						
Senior Management	1,594	385	387	(2)	363	1,594
Academic Departments	25,987	6,079	6,043	36	5,526	25,587
Academic Services	5,132	1,274	1,228	46	1,101	5,132
Admin & Central Services	12,191	3,023	2,984	40	2,877	12,141
Premises	1,467	367	357	10	330	1,467
Catering & Residences	34	8	8	0	237	34
Temporary, Agency & Staff Bank Costs	1,615	450	437	13	416	1,634
Other Staffing Expenditure	950	238	272	(34)	230	950
	<b>48,970</b>	<b>11,825</b>	<b>11,716</b>	<b>109</b>	<b>11,079</b>	<b>48,539</b>
<b><u>Other Operating Expenses</u></b>						
Premises	4,734	1,092	1,088	3	1,135	4,734
Teaching Activity & Support	1,437	453	461	(9)	344	1,437
Childcare Costs	1,500	262	262		301	1,500
Transport Costs	101	23	26	(3)	18	101
IT Costs	998	234	234	(0)	232	998
Telecomms Costs	134	44	44		41	134
Equipment	73	17	17	(0)	22	72
Health & Safety	37	11	11		14	37
Travel & Subsistence	581	102	103	(1)	87	542
Admin Costs	141	39	40	(1)	50	141
Corporate, Consultancy, Professional	883	157	151	6	173	883
Staff Welfare	16	3	3		3	16
Catering	509	135	135	0	219	509
Training & Development	187	17	17		27	187
VAT	1,224	324	324		396	1,224
Marketing & PR	145	24	26	(2)	42	145
Partnership Costs	39	10	10		122	39
Overseas Agents Commission	38	77	77		13	77
Registration & Exam Fees	1,224	119	119	(0)	119	1,224
Bad Debt	41	2	2	1	8	41
	<b>14,040</b>	<b>3,143</b>	<b>3,149</b>	<b>(6)</b>	<b>3,366</b>	<b>14,040</b>
Depreciation	5,484	1,449	1,449		1,511	5,484
<b>Depreciation for the year</b>	<b>5,484</b>	<b>1,449</b>	<b>1,449</b>		<b>1,511</b>	<b>5,484</b>
<b><u>Debt Interest &amp; Other Finance Costs</u></b>						
Interest On Bank Loans	557	132	132		144	557
Other Finance Charges	30	4	11	(6)	9	30
	<b>587</b>	<b>136</b>	<b>142</b>	<b>(6)</b>	<b>152</b>	<b>587</b>
<b>TOTAL EXPENDITURE</b>	<b>69,080</b>	<b>16,553</b>	<b>16,456</b>	<b>97</b>	<b>16,108</b>	<b>68,650</b>
<b>Operating (Deficit) / Surplus pre SSAP24</b>						
<b>Enhanced Pension Provision Charge</b>	<b>(1,735)</b>	<b>(440)</b>	<b>(473)</b>	<b>(34)</b>	<b>106</b>	<b>(1,847)</b>
<b><u>Adjusted Operating Position:</u></b>						
<b>Operating (Deficit) / Surplus pre SSAP24</b>						
<b>Enhanced Pension Provision Charge</b>	<b>(1,735)</b>	<b>(440)</b>	<b>(473)</b>	<b>(34)</b>	<b>106</b>	<b>(1,847)</b>
<b><u>Add:</u></b>						
<b>Depreciation net of deferred capital grant release</b>	<b>2,509</b>	<b>728</b>	<b>728</b>		<b>630</b>	<b>2,509</b>
<b>Revenue funding allocated to loan repayments</b>	<b>774</b>	<b>194</b>	<b>194</b>		<b>312</b>	<b>774</b>
<b>Adjusted Operating Position</b>	<b>0</b>	<b>94</b>	<b>61</b>	<b>(34)</b>	<b>424</b>	<b>(111)</b>





For the future you want

**Balance Sheet**  
**For the 3 Months to 31st October 2019**

	<u>2019/2020</u> <u>YTD Actuals</u> <u>£000s</u>	<u>2018/19</u> <u>Year End</u> <u>£000s</u>	<u>2018/2019</u> <u>Previous YTD</u> <u>£000s</u>
<b>Fixed Assets</b>			
L&B	150,318	151,268	153,570
FFE	8,127	8,384	7,718
	<u>158,445</u>	<u>159,652</u>	<u>161,287</u>
<b>Current Assets</b>			
Stock	95	54	86
Debtors	7,245	3,699	8,164
Cash	4,027	936	2,511
	<u>11,367</u>	<u>4,689</u>	<u>10,761</u>
<b>Creditors &lt; 1yr</b>			
Bank loans	(470)	(470)	(449)
Payments received in advance	(72)	(199)	(21)
Trade creditors	(1,171)	(1,909)	(1,311)
Taxes & social sec	(919)	(1,222)	(1,132)
Accruals, Def Inc & Other Creditors	(1,553)	(2,926)	(2,065)
Amounts owed to SFC	(9,413)	(19)	(8,048)
Deferred Capital Grants - Government	(2,974)	(2,901)	(2,931)
	<u>(16,572)</u>	<u>(9,646)</u>	<u>(15,958)</u>
<b>Net current assets / (liabilities)</b>	<u>(5,205)</u>	<u>(4,957)</u>	<u>(5,197)</u>
<b>Total assets less current liabilities</b>	<b>153,240</b>	<b>154,695</b>	<b>156,090</b>
<b>Creditors &gt; 1yr</b>			
Bank loans	(9,106)	(9,222)	(9,583)
Deferred Capital Grants - Government	(55,252)	(56,046)	(55,530)
	<u>(64,358)</u>	<u>(65,268)</u>	<u>(65,114)</u>
<b>Provisions</b>			
Early retirement	(4,530)	(5,472)	(4,508)
Student Accommodation Provision	(871)		
	<u>(5,400)</u>	<u>(5,472)</u>	<u>(4,508)</u>
<b>Net pension asset / (liability)</b>	<u>(25,594)</u>	<u>(25,594)</u>	<u>(9,905)</u>
<b>NET ASSETS</b>	<u><u>57,887</u></u>	<u><u>58,361</u></u>	<u><u>76,564</u></u>
<b>Reserves</b>			
I&E account	41,834	42,046	41,312
Pension reserve	(25,594)	(25,594)	(9,905)
Revaluation reserve	41,647	41,909	45,156
<b>RESERVES</b>	<u><u>57,887</u></u>	<u><u>58,361</u></u>	<u><u>76,564</u></u>





<b>FOR DISCUSSION / INFORMATION</b>			
Meeting:	Board of Management 10.12.19		
Presented by	Audrey Cumberford		
Author/Contact	Trish Hanlon	Department / Unit	Principal/Chief Executive
Date Created	02.12.19	Telephone	-
Appendices Attached	Appendix 1: Principal & Chief Executive Report - December 2019		
Disclosable under FOISA	Yes.		

**PRINCIPAL AND CHIEF EXECUTIVE REPORT**

**1. PURPOSE**

To update the Board on activity across the College not covered by other reports.

**2. BACKGROUND**

The Principal provides a regular report outlining a full range of college activity since the last Board meeting in September 2019

**3. DETAIL**

This report will cover business critical aspects of college business under the following headings where these matters are not already covered in substantive items on the agenda:

- Introduction
- Employers Association
- Sighthill Civic Reception
- Economic Impact Report
- Launch of the Muscatelli Report: Driving Innovation in Scotland – A National Mission
- Four Nations – Commission international conference
- British Council International Seminar
- Edinburgh Chamber of Commerce
- National Economic Forum
- National update.

**4. BENEFITS AND OPPORTUNITIES**

The report covers many positive opportunities for external engagement for staff and students.

**5. STRATEGIC IMPLICATIONS**

The Principals report provides an overview of activity relevant to the sector and on-going strategic development of the college.

6. **RISK**  
Not applicable.
7. **FINANCIAL IMPLICATIONS**  
There are no financial implications.
8. **LEGAL IMPLICATIONS**  
There are no legal implications.
9. **WORKFORCE IMPLICATIONS**  
There are no workforce implications
10. **REPUTATIONAL IMPLICATIONS**
11. **EQUALITIES IMPLICATIONS**  
There are no equalities implications.

**CONCLUSIONS/RECOMMENDATIONS**

The Board of Management are asked to note the information contained in this report and raise or discuss any issues for further information.

## **PRINCIPAL AND CHIEF EXECUTIVE REPORT**

### **1. Introduction**

As this is the last report of the calendar year, I would like to record my thanks to staff, students and Board members for their commitment and hard work throughout 2019, resulting in a successful and strong performance by our College.

I am absolutely delighted to highlight the key successes since the last Board meeting in September and would particularly like to mention Dean Clark, who you will recall successfully started up the student shop at Sighthill campus. He was presented with the Pride O' Worth Award by John Swinney MSP and the College Candidate of Year Award at the annual SQA Star Awards, then to top it off, he was named Student of the Year at the 2019 CDN Awards. The College also had reason to celebrate last month when SVQ Professional Cookery students Jamal Abdul Mora, Hope Tasara, and Jorge Rodriguez Grana won gold, silver and bronze respectively at the Major Series competition held in Paisley; HND Civil Engineering student Alizah Mughal is jetting off to Singapore to showcase a design project she has worked on since she was at school; and HNC Hospitality students Shannon McNeil and Sophie Taylor won two gold, three silver, and two bronze medals at the Nations Cup held at the prestigious Secchia Institute for Culinary Education in the Grand Rapids, Michigan.

I was fortunate to attend WorldSkills in Birmingham last week and was particularly proud of Scott Allan and Fergus Firth, who were representing the College in the Roof Slating and Tiling category; and Computer Security & Forensics category respectively.

### **2. Employers Association**

I attended the 2-day Employers Association in November. The theme of the event was Fair Work Framework and the five dimensions – Security; Effective voice; Opportunity; Fulfilment; Respect; and how they relate to the current issues in the sector.

Not only did we hear from representatives in the sector but also from a trade union perspective. This was followed by a session on the future financial sustainability of the College sector.

### **3. Sighthill Civic Reception**

January 2020 marks the 50<sup>th</sup> anniversary since the opening of Stevenson College in 1970 which was born out of the bringing together of several separate buildings delivering a range of further education courses across the City.

To mark this occasion Frank Ross, The Rt. Hon. Lord Provost of the City of Edinburgh has agreed to host a civic reception, with Principal Audrey Cumberland on the campus on Monday 20 January 2020 from 6-8pm.

The reception will highlight the history of the campus and the curriculum, the impact of Further Education in Edinburgh over the past 50 years and, current student performances and a student story.

### **4. Economic Impact Report**

As Board members are aware from my report in September, along with Paul Little, I am co-authoring a report on the Economic Impact of College which was commissioned by Cabinet Secretary for Finance, Economy and Fair Work. The report will be presented to the Cabinet Secretary in mid-December and I will share this with Board members in due course.

## **5. Launch of the Muscatelli Report: Driving Innovation in Scotland – A National Mission**

The Muscatelli Report was commissioned by the Scottish Government's Finance Secretary, Derek Mackay, in March 2019 to examine how Scotland's universities work in partnership with industry to help drive inclusive growth and prepare our economy for the future. The launch event at The Royal Society, supported by the Scottish Government, was an opportunity to hear the findings of the Report, which aims to harness the immense strengths of Scotland's universities to the maximum benefit for Scotland.

Presentations were given by the Principal of the University of Glasgow, Professor Sir Anton Muscatelli, as well as Finance Secretary Derek Mackay

The full report can be found here: [https://www.gla.ac.uk/media/Media\\_700300\\_smx.pdf](https://www.gla.ac.uk/media/Media_700300_smx.pdf)

## **6. Four Nations - Commission international conference**

As highlighted in September, it has been agreed that the 4 Nations Alliance will host an international conference focusing on the future role and purpose of colleges and the wider policy environment. The conference will be used to publish the final report from the Commission on the College of the Future.

A number of international partners, sector representatives and senior government officials will be invited. It is also expected to have ministerial attendance. As it is being held in Edinburgh, Edinburgh College will have the opportunity to be involved in the arrangements and marketing of the event. Further details will be shared in due course.

## **7. British Council International Seminar**

I recently spoke at a British Council International Seminar. The seminar was for overseas policy makers on the theme of TVET (Technical & Vocational education) for All? Achieving positive outcomes for marginalised groups through vocational systems. In attendance were vocational education policy makers from around the world.. Delegates included representatives from Nigeria, Pakistan, India, Nepal, Spain and Colombia.

The event showcased innovative practice that supports diverse groups of learners into training and employment. The programme started with a plenary discussion between myself as an education leader, business and the Scottish Government.

## **8. Edinburgh Chamber of Commerce**

I recently attended a Policy dinner arranged by the Edinburgh Chamber of Commerce. The key note speaker was Derek Mackay, Cabinet Secretary for Finance, Economy and Fair Work who spoke about the issues facing our business community and to seek our views. There were also discussions around the Scottish Budget, productivity, talent & skills, the Edinburgh and South East Scotland City Region Deal, the level of priority which business has within Government and the importance of working towards an inclusive society.

I will also be attending a further policy dinner with key business partners in November.

## **9. National Economic Forum**

I have been invited to lead and facilitate a key workshop at the upcoming National Economic Forum in December hosted by the First Minister.

This event is arranged by the Scottish Government at which senior figures from across business, the third sector, trade unions, government and the wider public sector meet to debate how to grow Scotland's

economy. The First Minister will open the Forum and there will be Government Ministers at each of the workshops. The four workshops will cover key themes or challenges:

1. Increased system agility and employer responsiveness.
2. Enhanced access to upskilling and retraining.
3. Ensuring financial sustainability of the system.
4. The Global Climate Change Emergency and the Skills Challenge.

I will be facilitating the workshop Chaired by the Cabinet Secretary for Finance, Economy & Fair Work on Ensuring financial sustainability of the system and the workshop will serve as an opportunity to:

- discuss the diverse range of current funding strategies currently in place – such as the Fair Work Development Fund, Individual Training Accounts and the skills element of city deals; and
- consider the possibilities offered by Financial Transactions and other new mechanisms.

## **10. National Update**

### **10.1 15-24 Learner Journey Programme**

Colleges Scotland attended the latest Learner Journey Agencies meeting on Wednesday 30 October 2019. The meeting allowed for an update on the implementation programme (a copy of the Year 1 – Quarter 3: July-Sept update is attached). Each area and recommendation have produced clear deliverables, including timescales. There was also an update from Skills Development Scotland on the enhancements made to *My World of Work* as part of Recommendation 1 [*We will ensure every learner in Scotland has an online learner account to link their skills and attributes to better course choices*].

### **10.2 Mental Health Funding**

The [announcement](#) on mental health funding from the SFC was issued on Friday 1 November 2019. This follows intervention from Colleges Scotland on a number of key aspects, resulting in the inclusion of a clear statement by Scottish Government that the purpose of the funding is to support equity of access to counselling support across colleges and universities by the end of the four-year funding period. These discussions have also caused Scottish Government to accept the benefit of individual colleges / regions having the flexibility to use the resource as best fits an institutions particular circumstances, provided it delivers additional capacity for counselling provision. Edinburgh College will receive £122,000 of the funding and will provide a pilot service provided by the Health Opportunities Team to ensure counselling is in place for students.

### **10.3 College Principals' Group (CPG)**

The CPG met on Monday 4 November 2019 and took the opportunity to review the sector position in relation to future forecast and to articulate the requirements from the college sector regarding possible scenarios following Brexit to external guests from the Scottish Government and SFC.

### **10.4 Quality and Retention**

The Minister for Further Education, Higher Education and Science, Richard Lochhead MSP, spoke at College Development Network's (CDN) event on Wednesday 6 November 2019 in regard to retention rates in colleges and the new College Quality Improvement Hub. Further information can be found in the Scottish Government [media release](#). As Board members are aware our key priority is to implement our action plan to address the poor performance in our full time FE programmes.

### **10.5 PACE Meeting**

Colleges Scotland attended the seventeenth meeting of the PACE Partnership on Wednesday 6 November 2019, chaired by the Minister for Business, Fair Work and Skills, Jamie Hepburn MSP. Attendees were

updated on ongoing activity relating to PACE and received presentations on the State of the Economy and Scotland's Labour Market from the Scottish Government, while a further presentation focused on the Future Skills Action Plan.

### **10.6 Digital Ambition**

The Sector's Digital Ambition Roadshow is well underway, with six workshops held so far at North East Scotland College, Borders College, West College Scotland, Fife College, Inverness College UHI and Forth Valley College. The workshops so far have encompassed discussions on how colleges can use digital tools to support students and staff moving forward to 2030, with a further focus on the changing roles of physical and digital infrastructure in underpinning the development of both cohorts. Jon Buglass attended one of the workshops and met with Ken Thomson, Principal of Forth Valley College who is the sector lead for the development of a Sector Digital Strategy. The sector work in relation to Digital is very timely in the context of the development of our own Digital Strategy, the framework of which was developed by the Board at a Board development session. Updates on progress have been presented and discussed at both the Academic Council Committee and Policy & Resources Committee.

Colleges Scotland, along with college sector representatives, attended the Jisc Stakeholder Forum on Thursday 7 November 2019. This event provided an update on the work of Jisc and also allowed a discussion on harnessing the possibilities of modern digital empowerment, which links strongly with the work of the Colleges Scotland Digital Ambition Short Life Working Group.

### **10.7 Prevent**

Colleges Scotland, along with the college sector network representative attended the Prevent Sub Group meeting, chaired by the Scottish Government, on Wednesday 6 November 2019. Lord Carlisle of Berriew CBE QC, who is leading the UK Government's review of the Prevent framework was in attendance and the meeting gave an opportunity to feed into the review at this stage. There is an [online consultation](#) which is open until **2345 on Monday 9 December 2019**, and Lord Carlyle has recorded a short [explanatory video](#) in regard to the review.

### **10.8 Shared Prosperity Fund Consultation**

The Scottish Government has opened a [consultation](#) on the replacement of European Structural Funds post Brexit. The UK Government has indicated its intention to provide successor funding through its proposed UK Shared Prosperity Fund but there is no detail as yet on the scale, objectives or allocation of such funding. The consultation seeks views on how best to develop thinking on how any replacement funding vehicle can best meet the needs of citizens, businesses and communities. The deadline for submissions is **Wednesday 12 February 2020**. Colleges Scotland will be submitting a sector response.



<b>FOR INFORMATION / DISCUSSION</b>			
Meeting	Board of Management 10.12.19		
Presented by	Nick Croft		
Author/Contact	Nick Croft / Marcus Walker	Department / Unit	Governance
Date Created	21.11.19	Telephone	0131 344 7048
Appendices Attached			
Disclosable under FOISA	Yes.		

## **GOVERNANCE REPORT**

### **1. PURPOSE**

This paper provides an update on ongoing governance matters within the College.

### **2. BACKGROUND**

The report provides an update on matters brought to the attention of the Board at its meeting on 24 September, and further governance developments within the College and college sector over recent months.

### **3. DETAIL**

#### **3.1 Chair of the Edinburgh College Board - Appointment**

The Scottish Government's Public Appointments Team (PAT) have provided the following timeline for the recruitment and appointment of a new Regional Chair for Edinburgh College:

December 2019	<ul style="list-style-type: none"> <li>Formal early engagement meeting between the PAT and Principal &amp; Chief Executive, Board Secretary and Clerk to the Board;</li> <li>Information pack and advertisement to be published on PAT website.</li> </ul>
January 2020	<ul style="list-style-type: none"> <li>Public Information event to be held over two separate evenings - organised by the College, and in partnership with Changing the Chemistry, and the PAT.</li> </ul>
February 2020	<ul style="list-style-type: none"> <li>Closing date for application mid-February.</li> </ul>
March 2020	<ul style="list-style-type: none"> <li>Selection process undertaken by appointment panel.</li> <li></li> </ul>
April 2020	<ul style="list-style-type: none"> <li>Appointment announced by the end of April.</li> </ul>

The Scottish Government has indicated that the appointment of a Regional College Chair will be confirmed in late April 2020. It is therefore expected that an induction process will commence shortly after the appointment, with a view to the new Chair convening the Edinburgh College Board of Management on 16 June 2020.

A verbal update on progress relating to the formal early engagement meeting, and the publication of the advertisement, will be provided at the Board meeting on 10 December.

### **3.2 Review of Code of Good Governance**

A light touch review of the Code of Good Governance has been undertaken by the Good Governance Steering Group, which reportage into the CDN Board Secretaries Steering Group. A draft of the Code was presented to the Good Governance Steering Group (GGSG) in November. There is a delay in the release of the new code due to the UK Parliament General Election, and the requirement to schedule a change in primary legislation (Post 16 Education (Scotland) Act 2014).

A further update on developments will be provided at the next meeting of the Board, and (once published) an updated version of the Code will be presented to the Board for review.

### **3.3 External Effectiveness Review**

The findings and recommendation of the Board External Effectiveness Review, undertaken by Advance HE, will be presented to the Board on 10 December under a separate agenda item.

The GGSG have confirmed that all Scottish college boards are expected to undertake an externally facilitated Effectiveness Review, and submit a final report and improvement plan to the SFC, no later than December 2020. Further to this, the GGSG have indicated that the Code of Good Governance for Scotland's Colleges (following an interim review) will be amended to state that external effectiveness reviews should be completed "*no less than every five years*", instead of "*at least every three years*".

### **3.4 Improvement Plan 2019/20**

On 24 September, the Board noted that all but one of the 2018/19 Improvement Plan objectives had been completed within the three-year governance review cycle. It was subsequently agreed that the one action which remained outstanding, relating to 'the introduction of a critical debrief on selected decisions as part of an annual performance review', would be incorporated into the draft 2019/20 Improvement Plan.

A draft three-year Improvement Plan, with short, medium and long-term objectives, will be presented to the Board for approval on 24 March 2020. The new improvement plan will incorporate recommendations from the Board External Effectiveness Review (paragraph 3.2 refers), updated guidance within the Code of Good Governance (Paragraph 3.3 refers) and other Scotland/UK wide best practice guidance.

### **3.5 Non-Executive Recruitment**

Following Ian Diamond's announcement that he would step down from the Board on 31 October, it was agreed with the then Chair and Vice Chair that non-executive recruitment would be postponed until the appointment of a new Regional Chair by the Scottish Government in April 2020.

At present, the Board of Management has one non-executive vacancy which has existed since Ian Young's departure in March 2019. This means the Board currently has 11 Non-

Executive Board Members, well within the 9-12 range required by the Code of Good Governance.

It is anticipated that the Board External Effectiveness Review will provide recommendations around non-executive recruitment, which will be considered by the Nominations Committee at its next meeting, and implemented in advance of any recruitment round.

### **3.6 College Development Network (CDN) Governance Hub**

The CDN Governance Hub provides members of boards in the college sector, and their staff, with access to the key training courses and supporting resources that they need to fulfil their roles. It allows board members to access national training modules on-line and, when they have attended national training events, to be able to remind themselves of the information and advice they received.

To engage members across the sector with the CDN Governance Hub an update will be circulated by Clerk to the Board in due course. It hoped that going forward that access to the Hub will not require a username or password - to allow all members of the Board to freely access information and training tools.

### **4. BENEFITS AND OPPORTUNITIES**

The implementation of robust self-evaluation processes will ensure that governance arrangements are compliant with the Code of Good Governance.

### **5. STRATEGIC IMPLICATIONS**

Ensuring that the College has effective governance arrangements in place enables the college to deliver the Strategic Plan 2017/22, the annual Regional Outcome Agreement and the Education Scotland *'How Good is Our College?'* Framework.

### **6. RISK**

Improving governance arrangements and effective forward planning will mitigate the risk of governance failure.

### **7. FINANCIAL IMPLICATIONS**

Not applicable.

### **8. LEGAL IMPLICATIONS**

Compliance with the Code of Good Governance is an SFC condition of grant.

### **9. WORKFORCE IMPLICATIONS**

Not applicable.

### **10. REPUTATIONAL IMPLICATIONS**

Reputational risks associated with poor governance may occur, if appropriate planning is not implemented.

### **11. EQUALITIES IMPLICATIONS**

Not applicable.

## **CONCLUSIONS/RECOMMENDATIONS**

The Board is asked to NOTE the content of the Governance Report.

