



For the future you want

## **POLICY & RESOURCES COMMITTEE**

### **APPROVED MINUTES OF MEETING OF 19 MAY 2020**

#### **15:00 via Skype for Business**

**Present:** Lesley Drummond; Ann Landels (Chair); Niki McKenzie; Nigel Paul; Fiona Riddoch

**In attendance:** Sue Clyne; Nick Croft; Audrey Cumberland; Jonny Pearson; Lindsay Towns; Marcus Walker (Clerk)

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

- 1.1 No apologies were received.
- 1.2 The Committee NOTED that, due to the Covid-19 pandemic and the implementation of UK-wide social distancing measures introduced by the Government, the Board and its committees would hold virtual meetings until further notice.
- 1.3 The Committee NOTED that Sam Hogrefe, a member of the Policy & Resources Committee had resigned from the Board on 08 May 2020, with immediate effect. The Chair, on behalf of members, thanked Mr Hogrefe for his contribution to the Committee over the past two years.

#### **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 25 February 2020 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, with the exception of the following:

#### 4.1.2 *STRATEGIC NURSERY REVIEW (Ref. 9.3/19.02.19 refers)*

The Committee NOTED that prior to the Covid-19 pandemic it had been agreed that a strategic review would take place on 19 May 2020. The Chief Operating Officer advised the Committee that in-light of the current situation, and its potential impact on the operations of the Nursery, the proposed strategic review would be postponed until the next academic year.

4.1.3 The Committee NOTED an update on the progress of the Nursery prior to, and post, the onset of the Covid-19 pandemic. The Committee DISCUSSED the continued monitoring of financial performance through the monthly Management Accounts, and AGREED that a strategic update of the Nursery should be presented to the Committee on 10 November 2020.

### **5. COVID-19 PANDEMIC / 'A FUTURE PROOFED COLLEGE' UPDATE**

5.1 The Committee NOTED an update on developments related to the delivery of a 'Future Proofed College' and the impact of the Covid-19 pandemic. The Principal updated the Committee on the actions taken by the College since the closure of all campuses on 20 March 2020, and ongoing activities across the college sector.

5.2 The Committee NOTED that a Board Briefing Session had been held on 18 May 2020, to keep members of the Board up-to-date with the response of the College to the Covid-19 pandemic. The Chair, on behalf of the Committee, commended the Executive and Senior Management Team on the implementation of a comprehensive communications and engagement plan to keep the Board and other key stakeholders informed during an unprecedented period of campus closures.

5.3 The Committee NOTED that the Board Strategy Day, scheduled to take place on 28 April 2020, had been cancelled. The Principal advised the Committee that the process of testing the current strategic priorities of the College against the rapidly changing external environment would not be reviewed until the start of the next academic year.

5.4 The Committee NOTED the Principal's 5R Plan: which had been developed to enable the College to address the challenges of the Covid-19 pandemic. The Principal advised the Committee that although the College largely remained in the 'Response' phase, a Strategic Steering Group (led by the Vice Principal Corporate Development) had been set-up to move the College forward through the Resilience and Return phases, and thereafter, the Re-imagine / Reinvent and Reform phases.

5.5 The Committee NOTED that the Scottish Government had established an Advisory Group on Economic Recovery, led by senior businessman and government strategic advisor Benny Higgins. The Principal advised the Committee that she had been asked by the Chair of the Advisory Group to bring forward the recommendations of the Cumberford-Little Report (published on 13 February 2020) in light of the Covid-19 pandemic, for consideration by the Group. Further to this, the Committee NOTED the engagement of the Executive

Team with a number of national groups created by Colleges Scotland to consider and respond to the challenges faced by the college sector going forward.

5.6 The Committee DISCUSSED the following points in response to the update provided by the Principal:

- (i) The level of engagement from the Scottish Government with the college sector in response to the national/regional challenges raised by the pandemic;
- (ii) the potential impact of the Covid-19 pandemic on the whole Scottish education system;
- (iii) the role of the college sector in rebooting / reskilling the regional workforce to meet the demands of the future job market;
- (iv) the opportunities presented by the changing landscape to push forward positive changes across the college sector, specifically relating to the sustainability sector, and the digital and emerging technologies sectors.

5.7 The Committee NOTED that the Principal would provide a further update on developments to the Board at its meeting on 16 June 2020.

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

6.1 The Committee NOTED an overview, from the Vice Principal, Education & Skills, of the performance of the College against its 2019/20 recruitment and retention targets. The Vice Principal reminded the Committee that the SFC had set the College an activity target of 187,947 for the 2019/20 academic year.

6.2 The Committee NOTED that, as a result of the Covid-19 pandemic, the College had ceased face-to-face teaching on 20 March 2020. The Vice Principal, Education & Skills advised the Committee that at that point the College was on target to achieve its activity target for the fourth successive academic year. However, as a result of the Pandemic the College was unable to deliver any new credit-bearing activity with a course start date later than 20 March 2020.

6.3 The Committee NOTED that the credit position of the College, following the closure of campuses, was 182,909. The Committee DISCUSSED the suspension of activity targets by the SFC for the academic year 2019/20, and the work currently going on across the sector with regard to credits relating to the European Social Fund (ESF).

6.4 The Committee NOTED that, in terms of 2020/21 full-time recruitment, applications were down slightly on the previous year, however, the College had seen almost a 40% increase in the number of offers made / accepted when compared year-to-date against 2019/20. The Vice Principal, Education & Skills informed the Committee of the outstanding work carried out by the Student Records Team during the Covid-19 lockdown period to ensure offers were progressed in a timely manner.

6.5 The Committee NOTED that the increase in offers made, and the acceptance of offers, for 2020/21 was not a national trend across the sector. The Vice Principal, Education & Skills advised the Committee that all colleges and universities remained concerned about the significant impact of the Covid-19 pandemic on student recruitment. The Committee NOTED that although the College was

currently in a strong position regarding its 2020/21 recruitment, the impact of the pandemic would continue to be monitored closely.

6.6 The Committee DISCUSSED the following in relation to 2020/21 student recruitment:

- (i) The course offering for 2020/21 and the need for it to 'flex and adapt' to the changing requirements of the regional economy;
- (ii) the feedback received from students who have applied to the College as new starters, and the robust keep warm campaign in place to engage with and support applicants and incoming students;
- (iii) changing student recruitment practices by universities and the potential adverse impact this may have on the recruitment and retention of students in the college sector;
- (iv) the opportunities provided to the College in light of the postponement of activity targets to try new approaches to student recruitment and retention, with a view to the College becoming even more student centred.

6.7 The Committee NOTED that the impact of the Covid-19 pandemic on student recruitment had yet to be fully assessed. The Vice Principal, Education & Skills, however, reassured the Committee that the Executive and Senior Management Team were overseeing plans covering all eventualities which may arise in the coming academic year.

## **7 FINANCE REPORT**

### **7.1 MANAGEMENT ACCOUNTS TO MARCH 2020**

7.1.1 The Committee NOTED the financial performance of the College as outlined in the Management Accounts to March 2020.

7.1.2 The Committee NOTED that following the closure of College campuses the Finance Team had undertaken a financial review of the immediate impacts of the Covid-19 pandemic on its financial forecasting. The Head of Finance advised the Committee that the Management Accounts illustrated reduced income and expenditure related to Covid-19, that showed a net deficit position and adverse impact on cash.

7.1.3 The Committee NOTED that the financial impact on the College, and the sector as a whole, was considerable, particularly for those colleges, like Edinburgh College, with high-levels of international and commercial exposure. The Head of Finance outlined the increased underlying operating deficit for the College in light of substantial reductions in income, but highlighted that this had been partially offset with savings associated with closure of campuses.

7.1.4 The Committee DISCUSSED the impact of the Job Retention Scheme implemented by the UK Government. The Head of Finance advised the Committee that the furlough submission from the College would be submitted to HMRC in due course, once staff data had been cross-referenced with the Human Resources Team.

- 7.1.5 The Committee DISCUSSED the impact of the financial challenges faced by the College, and the sector, on the closing of the end of year financial accounts. The Committee AGREED that this matter should be raised with Audit Scotland at the next meeting of the Audit & Risk Assurance Committee on 27 May 2020.

## 7.2 INDICATIVE COLLEGE BUDGET 2020/21

- 7.2.1 The Committee NOTED an Indicative College Budget 2019/20, and a supporting presentation by the Head of Finance, which outlined the budgeting process, budgeting pressures, additional costs, budget reductions, savings, impact on cash-flow, risks and mitigations, and sensitivity analysis.
- 7.2.2 The Committee NOTED the discussions taking place at a national level regarding budget assumptions for the college sector. The Chief Operating Officer advised the Committee that he was a member of the Colleges Scotland Finance Group tasked by the SFC to consider, and put forward, underlying assumptions to allow colleges to show their financial forecast positions using the same base assumptions from 2020/21.
- 7.2.3 The Committee DISCUSSED the Indicative College Budget 2020/21, and AGREED that - once underlying assumptions had been confirmed - an updated version of the Indicative College Budget would be presented to the Board on 16 June 2020 for consideration.

## 7.3 FINANCIAL FORECAST 2019/20 TO 2024/24

- 7.3.1 The Committee NOTED a five-year financial forecast aligned with the 2019/20 Indicative College Budget, to help members assess the future financial position of the College. The Chief Operating Officer advised the Committee that the financial forecast was based against assumptions outlined by the SFC for 2019/20, and highlighted the savings/budget reductions required in order to achieve a break-even underlying operating position.
- 7.3.2 The Committee DISCUSSED the five-year financial forecast provided, and NOTED once underlying budgeting assumptions were confirmed (Paragraph 7.2.3 refers) further updates would be to the financial forecast.
- 7.3.3 The Chair, on behalf of the Committee, thanked the Finance Team for the opportunity to review the financial forecast information and sensitivity analysis provided.

## 8. HUMAN RESOURCES REPORT

- 8.1 The Committee NOTED a Human Resources Report which included updates on employee relations, HR operations and organisational development.
- 8.2 The Committee NOTED the significant impact of the Covid-19 pandemic on the operation of the College and its employees. The Head of HR advised the

Committee that the HR Team were now focussed on supporting staff to find new and flexible ways of delivering services.

- 8.3 The Committee NOTED that while the longer-term impacts of the Covid-19 crisis could not be predicted on College staff, it was likely that the HR priorities over the coming months would include supporting returning employees with mental health conditions, working with staff to plan the delivery of services in a new way and responding to the financial impact of the pandemic. The Head of HR advised the Committee that considerations had already been made around the furloughing of staff in many areas within the guidelines set out by the UK Government.
- 8.4 The Committee DISCUSSED the psychological impacts of the pandemic on staff, and the increased anxieties of those with pre-existing health conditions, or family members with health issues, when asked to return to work on a College campus. The Head of HR advised the Committee that the Team were considering strategies to support staff in their return to work, and were looking at flexible working models.

## **9. ANY OTHER COMPETENT BUSINESS**

### **9.1 REVIEW OF COMMITTEE OPERATION**

- 9.1.1 The Committee NOTED that at the end of each academic year the Committee is required to review its annual activity. The Committee Chair advised the Committee that the same evaluation form, which asked members to consider the committee's operation and its performance monitoring and strategic roles, would be completed by all committees of the Board.
- 9.1.2 The Committee AGREED that its operation was compliant with its terms of reference, as outlined in 'Part 1' of the evaluation form.
- 9.1.3 The Committee DISCUSSED its performance over the academic year, and AGREED that members' feedback should be relayed directly to the Committee Chair and Clerk to the Board, prior to a finalised version of the report being recirculated to the Committee (outwith the meeting cycle) for approval.

## **10. FOR INFORMATION**

### **10.1 OUTLINE BUSINESS CASE FOR CONSTRUCTION UPDATE**

- 10.1.1 The Committee NOTED an update on the drafting of an outline business case, funded by the SFC, covering a new construction centre at the Granton Campus, and improved automotive facilities at Sighthill.
- 10.1.2 The Committee NOTED that a draft of the outline business case would be circulated to members for review and approval - outwith the

Committee cycle<sup>1</sup>. The Chief Operating Officer advised the Committee that once an outline business case had been approved by members it would be submitted to the SFC.

## 10.2 HORIZON SCANNING REPORT

10.2.1 The Committee NOTED a Horizon Scanning Report which outlined major political, economic, social, technological, legal and/or environmental developments that could impact on the five strategic plan aims of the College. The Head of Communications, Policy and Research advised the Committee that the specific focus of this edition of the report was the impact of the Covid-19 pandemic on the city region economy.

## 10.3 COMMITTEE PROGRAMME OF WORK 2020/21

10.3.1 The Committee NOTED its proposed programme of work for the upcoming academic year.

## 11. DATE OF NEXT MEETING

11.1 The next meeting of the Policy & Resources Committee will take place on 18 August 2020.

***Meeting closed at 16:45***

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<sup>1</sup> On 08 June 2020, following a review of the outlined business case circulated by the Chief Operating Officer, the Policy & Resources Committee unanimously agreed that the document should be submitted to the SFC.