

EDINBURGH COLLEGE BOARD OF MANAGEMENT



MINUTES OF MEETING OF 10 DECEMBER 2024

Meeting held in the Boardroom, Milton Road Campus

Start time: 13:30

Present: Audrey Cumberford; Stewart Darling; Fiona Doring; Becky Duff; Alan Holligan; Alex Killick; Ross Laird; Adam Lowe; Liz McIntyre; Ian McLaughlan; Nora Senior (Chair); Eleanor Sim; Bill Troup; Charlie Whitson

In attendance: Jon Buglass; Mike Jeffrey; Jonny Pearson; Michael Speight (Audit Director, Mazars) Marcus Walker (Clerk); Alan Williamson

1. WELCOME AND APOLOGIES

1.1 WELCOME AND APOLOGIES

- 1.1.1 The Board NOTED apologies from Daniel Holland and Bethany Winkler.
- 1.1.2 The Chair welcomed Judit Harangozo and Derek Hynds to their first meeting of the Board of Management following their appointment, on 9 December 2024, as Non-Executive Members.
- 1.1.3 The Board NOTED that the Audit Director (Mazars), Michael Speight, would join the meeting (via Microsoft Teams) for *Item 6.1, Annual Report & Financial Statement to Year End 31 July 2024*.
- 1.1.4 The Board NOTED that, on 12 October 2024, Liz McIntyre (a Non-Executive Board Member) had stepped down from the Edinburgh College Board of Management - with immediate effect - due to personal circumstances. The Chair, on behalf of the Board, thanked Ms McIntyre for her contribution to the Board of Management and its Learning, Teaching & Student Experience Committee.

2. DECLARATIONS OF INTEREST

- 2.1 None.

3. MINUTES OF PREVIOUS SCHEDULED MEETING

- 3.1 The Board APPROVED the minutes from 26 September 2024 as an accurate record of the meeting.

4. MATTERS ARISING REPORT

- 4.1 The Board NOTED that actions from its previous meeting(s) were complete, overtaken or on the agenda.
- 4.2 The Board NOTED that, as part of a future Board Development Session, Members would receive a presentation on Estates matters from the Director of Finance & Infrastructure. The Chief Operating Officer informed the Board that the development session would respond to points previously raised regarding the Estates maintenance schedule and its impact on mitigating Health & Safety incidents.

5. CHAIR'S REPORT

- 5.1 The Board NOTED that the College had held a successful Graduation Ceremony at McEwan Hall on 8 November 2024, with over 600 students graduating and approximately 3,000 family and friends in attendance. The Chair welcomed the opportunity to celebrate the success of students, and thanked members of the Board for their participation.
- 5.2 The Chair, on behalf of the Board, acknowledged recent national awards won by the College since the last meeting of the Board. The Board NOTED and commended the following award winners and nominees:
 - i. Edinburgh College won a Green Gown Award, a prestigious sustainability award, in recognition of the 'EC Sessions' community music programme which provides a safe and welcoming space for young people across the city to have music making opportunities they otherwise would not have access to.
 - ii. The College received the following commendations at the annual CDN College Awards:
 - *Digital Learning Award*, Bridging the Skills Gap: Reskilling and Upskilling for a Digital Future.
 - *Health and Wellbeing Award*, Halls of Residence Engagement Project.
 - *Lecturer of the Year*, Becky Galbraith.
 - *Professional Services Colleague of the Year*, Catherine McCormack.
 - *Inclusive College*, Black History and Representation in FE through Make-Up Artistry.
 - iii. In recent student skills competitions, the College students won the following:
 - Heavy Vehicle apprentice Callum Stewart won bronze medal at the annual Institute of the Motor Industry Skills Competition Finals in November 2024.
 - Roofing apprentice Hamish Morgan picked up a bronze medal at the annual Skill Build finals for the second consecutive year.
 - Three Professional Cookery and Hospitality students won the Nespresso Professional Student Afternoon Tea Challenge held at Milton Road Campus.

- iv. Indie band Redolent, which consisted of former Edinburgh College Music students, won the Scottish Album of the Year competition for 2024.

6. FOR APPROVAL

The Audit Director (Mazars) joined the meeting

6.1 ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE PERIOD TO 31 JULY 2024

- 6.1.1 The Board NOTED the 2023/24 Annual Report from the Audit & Risk Assurance Committee, which highlighted areas of activity undertaken by the Committee for the period of 1 August 2023 to 31 July 2024. The Chair of the Audit & Risk Assurance Committee informed the Board that members wished to highlight the following:
 - i. Financial sustainability and the College's ability to manage its activities and deliver its outcomes within its funding limits would continue to be a challenge. The College should ensure that plans are in place to manage potential future financial shortfalls, and that they are implemented in a timely manner.
 - ii. The continued concerns of the College that the SFC funding model was no longer fit for purpose, and the need for equity in relation to credit pricing across the college sector.
 - iii. Whilst significant progress had been made in improving cyber security at the College, ongoing vigilance and investment in cyber security and information governance would be necessary.
 - iv. A Learning & Development Internal Audit Report identified deficiencies in relation to staff completion of the College's core mandatory training, manager required training, and in relation to the College's enhance review process. Whilst Internal Audit noted that staff completion of both enhance reviews, and training had been impacted by industrial action, stronger monitoring and engagement were required to increase staff completion rates.
- 6.1.2 The Board NOTED the Edinburgh College Annual Report and Financial Statements for the 12-month period ended 31 July 2024. The Chief Operating Officer informed the Board that due to a late amendment to the first SFC accounts direction for the Job Evaluation accounting treatment, and then further uncertainty related to the amended SFC's accounts directions (and subsequent Audit Scotland technical brief), the finalisation of the Annual Report and Financial Statements had been very challenging.
- 6.1.3 The Board DISCUSSED the history of the Job Evaluation Exercise and the funding arrangements the college sector had previously agreed with the SFC, prior to the Scottish Government taking responsibility for the previously ring-fenced funds - following a transfer of the funds from the SFC to the Scottish Government. The External Audit Director informed the Committee that Mazars were unaware of the change in funder at

the time of signing off the 2023 financial statements. However, the External Audit Director confirmed that the JE provision included within the 2024 financial statements represented an accurate representation of the expected economic outflow based on all available information.

6.1.4 The Board NOTED the External Audit Annual Report for the financial year with an unqualified audit opinion. The External Auditor informed the Board that Mazars were content to close-off the financial accounts - subject to their approval by the Board.

6.1.5 The Board DISCUSSED the following matters in relation to the Annual Report and Financial Statements:

- i. The positive report provided by the external auditors under challenging circumstances for the college (and the college sector).
- ii. The valuation of pension assets and the assurances outlined by Mazars.
- iii. Members' concerns relating to the Job Evaluation funding, and the level of assurance provided by Scottish Government.

6.1.6 The Board APPROVED the Annual Report and Financial Statements to 31 July 2024 and the letter of representation, as endorsed by the Audit & Risk Assurance Committee, for sign-off by both the Chair and the Principal.

6.1.7 The Board NOTED the commendation of the Chair of the Audit & Risk Assurance Committee for the work of both the Edinburgh College Finance Team, and the Mazars Team, in presenting the Annual Report and Financial Statements for approval.

The Audit Director left the meeting

The Board took a scheduled break for the Chair and the Principal to sign the Annual Report and Financial Statement to 31 July 2024

6.2 EDINBURGH COLLEGE STRATEGY PLAN TRANSFORMATION JOURNEY

6.2.1 The Board NOTED a presentation from the Executive Team outlining the strategic priorities of the College and a proposed pathway towards transformation. The Principal advised the Board that it was essential that Edinburgh College reviewed its strategic priorities and outlined the options available to ensure it continued to effectively serve the region - whilst providing a high-quality curriculum of the right size and shape.

6.2.2 The Board NOTED projections for the next 3-years based on current financial forecasts and continued trends relating to learner numbers and credits. The Principal informed the Committee that in response to the 'Status Quo' scenario the Executive had developed two other options; an SFC Funded Transformation Plan and a College Funded Transformation Plan.

6.2.3 The Board DISCUSSED the scenarios, and associated risks, outlined by the Principal and AGREED that the status quo scenario was not acceptable, as it would result in the managed decline of the College.

6.2.4 The Board DISCUSSED the following in relation to the two transformation plan options put forward by the Executive Team:

- i. Its impact on the College and the service it offers to both the community and its regional planning partners.
- ii. The capacity of the College to run an effective change programme alongside business as usual.
- iii. The potential for external funding through other sources, including the City Region Deal.
- iv. The need for greater collaboration between regional colleges and universities to meet the challenges faced by the tertiary education sector.
- v. The resourcing of the transformation plan and its predicted impact on the rate of change and its eventual success.
- vi. The potential for trade union relations to impact upon a successful transformation journey.
- vii. The adaptability demonstrated by staff over recent years to factors such as the Covid-19 Pandemic and curriculum restructuring.
- viii. Progress relating to the College's culture reset, and the need to ensure this important work continues to develop.
- ix. The approaches taken by other colleges to ensure both their strategic ambitions and financial sustainability align.

6.2.5 The Board NOTED that it was supportive of the case for change and AGREED that the Executive Team should develop a transformation plan for submission to SFC. The Chair informed the Board that, given the time imperative, the Board should convene on 6 February 2025 to review a costed high-level transformation proposal, prior to its submission to the SFC.

6.2.6 The Board AGREED that, to both articulate the case for change and provide a benchmark, the Executive Team should consider the full impact of the 'Status Quo' scenario. Further to this, the Board AGREED that - should external funding not be available - the College should remain flexible to self-fund its own transformation journey. The Chair advised the Board that - if required - a self-funded approach would be considered by Members at a later date.

6.3 GOVERNANCE FRAMEWORK REVIEW

6.3.1 The Board NOTED proposed changes to its Governance Framework, which included its Standing Orders, Scheme of Delegation and committees' terms of reference. The Board Secretary informed the Board that, through its recent effectiveness review, several recommendations had been proposed relating to the College's Strategic Pillars, Key Performance Indicators (KPIs), and their alignment with the Board's committee structure. Further to this, it was NOTED that the

Board had been invited to review its committee structure and consider the creation of both a 'People' and a 'Governance & Nominations' Committee.

6.3.2 The Board NOTED two updates to the Standing Orders to align with recommendations within the Board Effectiveness, and a light touch review of the Scheme of Delegation undertaken by the Board Secretary. The Board DISCUSSED the proposed amendments and AGREED to their inclusion within the Governance Framework.

6.3.3 The Board NOTED that a Committee Restructure Working Group had reviewed extant committee arrangements and proposed new, or updated, terms of references for the following committees:

- i. Audit & Risk Assurance Committee
- ii. Conveners' Committee
- iii. Finance, Commercial & Resources Committee
- iv. Governance & Nominations Committee
- v. People & Remuneration Committee
- vi. Student Success Committee

6.3.4 The Board DISCUSSED the proposed committee terms of reference and AGREED that the new committee structure should be implemented from 6 January 2025 onwards. Further to this, the Board AGREED that the title of the *Finance, Commercial & Resources Committee* should be changed to the *Finance, Business Development & Resources Committee*, in order to encapsulate the College's wider business development activities.

6.3.5 The Board NOTED and DISCUSSED a committee membership proposal put forward by the Chair of the Board. The Board AGREED to the proposed committee membership, subject to a review of the new structure and membership arrangements taking place at the end of the academic year.

6.3.6 The Board NOTED the departure of Non-Executive Member, Ross Laird and Gwen Raez, from the Edinburgh College Development Trust (ECDT) on 8 March 2025. The Board DISCUSSED the ECDT membership arrangements and AGREED that Non-Executive Member, Becky Duff, would assume one on the upcoming vacancies. The Chair of the Board advised Members that one additional nominee would be welcomed, with interested Members advised to contact the Board Secretary directly.

7. FOR DISCUSSION

7.1 PRINCIPAL & CHIEF EXECUTIVE REPORT

7.1.1 The Board NOTED an update from the Principal on developments across both the College and the wider college sector since its last meeting on 26 September 2024.

7.1.2 The Board NOTED that the Colleges Scotland Board had announced the interim appointment of Dr Graeme Jackson as Chief Executive Officer. The Principal advised the Board that Dr Jackson had taken up the role on 1 October 2024, and had subsequently met with both the Principal and the Chair of the Board on 24 October 2024.

7.1.3 The Board NOTED that the Scottish Funding Council (SFC) had announced the appointment of Francesca Osowska OBE FRSE as its new Chief Executive. The Principal informed the Board that Ms Osowska had previously held roles as both the Director of the Scotland Office and the Scottish Government's Director for the Commonwealth Games and Sport, and would be stepping down as Chief Executive of NatureScot to take up the role in January 2025.

7.1.4 The Board NOTED that the Edinburgh and South East Scotland City Region Deal Skills (IRES) partners had held a Future Skills Planning Day in June 2024, which led to the development of high-level skills programme priorities. The Principal advised the Board that to support the wellbeing economy, and relieve in-work poverty, upskilling and career change opportunities were essential, and it was agreed that an IRES business case would be developed with up to £50m available focussed on College based delivery through 'enabler programmes'.

7.1.5 The Board NOTED that the College had published two new reports, *Our Capital, Our College* and *Our Capital, Our Workforce*, both of which illustrated the reach of Edinburgh College and its impact towards tackling local and national challenges. The Board welcomed the published reports and DISCUSSED their promotion through current networks and a range of opinion pieces.

7.2 EDINBURGH COLLEGE STUDENTS' ASSOCIATION (ECSA) REPORT

7.2.1 The Board NOTED an update from the ECSA on recent activities and engagement undertaken by the Students' Association at its last meeting on 26 September 2024.

7.2.2 The Board NOTED that several members of the Board and the Senior Management Team had participated in its Reverse Shadowing Scheme. The ECSA Student President encouraged all Board Members to sign-up for the Scheme via the booking webpage provided within the Report.

7.2.3 The Board NOTED that ECSA had registered 629 Class Reps, which was a considerable increase from the 473 registered in the previous year. The ECSA Student President advised the Board that the Students' Association had been working closely with the ESOL Team to ensure their Reps were included on the College system.

7.2.4 The Board NOTED that, since the start of the Semester, ECSA had offered a series of drop-in activities and events on different campuses as a chance for students to socialise, including 'Sip and Paint' events,

video games socials, drop-in board game session, and lunchtime crafting activities. The ECSA Vice President Activities advised the Board that the LGBTQ+ team also ran events across three campuses, which had received a positive response from students.

7.2.5 The Board NOTED that the Student President had joined NUS officers across Scotland in signing an open letter to the Scottish Government's Housing Minister, seeking improved student support in the upcoming Housing Bill. The Student President advised the Board that the cost of rent, and the availability of rental properties in Edinburgh, were highlighted in a recent *Student Life Survey* as a significant concern to students.

7.3 COMMITTEE BUSINESS

7.3.1 NOMINATIONS COMMITTEE 08.10.24

The Board NOTED a verbal update from the Nominations Committee on matters considered at its meeting on 8 October 2024. The Chair informed the Board that the Committee had reviewed the Non-Executive Skills Matrix and guidelines around the publication of Equality, Diversity and Inclusion information on the College website.

The Board DISCUSSED the three upcoming non-executive vacancies and AGREED that a recruitment round should be launched as soon as possible. The Chair advised the Board that, subject to oversight by the Committee, the proposed recruitment round would focus on skills/expertise relating to: Education and Training; Government and Public Relations; and, SMEs.

The Board DISCUSSED the updated Skills Matrix and AGREED that a finalised version should be circulated to the Nominations Committee for further consideration, prior to proceeding with a non-executive recruitment round.

The Board AGREED that both the Chair and Vice Chair of the Board and the ECSA Student President should sit on the recruitment panel, along with an Independent Panellist, as confirmed by the Nominations Committee.

7.3.2 PLANNING & RESOURCES COMMITTEE 14.11.24

The Board NOTED a verbal update from the Planning & Resources Committee on matters considered at its meeting on 14 November 2024. The Chair of the Planning & Resources Committee informed the Board that the National Insurance rate increase, and the threshold levels reduction, outlined in the UK Government's Autumn Budget, would create an annual financial gap of £1m. The Board NOTED that it was expected that the Scottish Government would fill the funding gap, but at present no official confirmation had been received from the SFC.

7.3.3 MANAGEMENT ACCOUNTS SUMMARY TO OCTOBER 2024

The Board NOTED the financial performance of the College as outlined in the Management Accounts to October 2024.

7.3.4 RECRUITMENT RETENTION & CREDITS DASHBOARD

The Board NOTED the College credits position, as of 10 December 2024, was 140,149, with a further 16,265 anticipated in Semester 2. The Vice Principal Education & Skills advised the Board that the current credit position was lower than anticipated, and the College was working hard to maximise its claim for current students.

The Board DISCUSSED the current credit position, along with the continued trend towards greater numbers of part-time learners, and NOTED that the Vice Principal Education & Skills was confident that the College would achieve its 2024/25 credit threshold of 98%, in order to avoid any financial clawback from the SFC.

7.3.5 LEARNING, TEACHING & STUDENT EXPERIENCE COMMITTEE 29.11.24

The Board NOTED a verbal update from the LTSE Committee on matters considered at its meeting on 29 November 2024. The Chair of the LTSE Development Committee informed the Board that the Committee had reviewed a draft Edinburgh College 2023/24 Self-Evaluation Action Plan (SEAP), as part of Scotland's new Tertiary Quality Enhancement Framework (TQEF).

The Board NOTED a brief verbal update from the Vice Principal Innovation, Planning & Performance on the College's performance in 2024/25 against key indicators of student success, as outlined within the SEAP. The Board DISCUSSED the SEAP and AGREED that the finalised document should be circulated to Members - for information.

The Board NOTED that Ross Laird, Chair of the LTSE Committee, would be stepping down as a member of the Board on 8 March 2025. The Chair, on behalf of the Board, commended Mr Laird for his significant contribution to the Committee as both its Chair and as a Member.

7.3.6 CORPORATE DEVELOPMENT COMMITTEE 05.12.24

The Board NOTED a verbal update from the Corporate Development Committee on matters considered at its meeting on 12 November 2024. The Chair of the Corporate Development Committee highlighted to the Board that due to a reduction in the size of the Business Development Team the total bespoke commercial target had been reduced from the initial budget established. The Board NOTED that this reduction had been offset by an increased grant funding target.

The Board NOTED that Gwen Raez, Chair of the Corporate Development Committee, would be stepping down as a member of the Board on 8 March 2025. The Chair, on behalf of the Board, commended Ms Raez for her significant contribution to the Committee as both its Chair and as a Member.

7.4 GOVERNANCE REPORT

- 7.4.1 The Board NOTED that following the departure of Support Staff Board Member, Bruce Cassidy, on 1 December 2024, Bethany Winkler had been elected to the position from 2 December 2024 for a period of 4 years. The Board Secretary advised the Board that Ms Winkler's nomination was in accordance with the Board's Staff Election Rules.
- 7.4.2 The Board NOTED a Top-Level Risk Register (TLRR) Summary, as agreed by the Risk Management & Assurance Group on 2 December 2024. The Chief Operating Officer informed the Board that the TLRR would be considered by the Audit & Risk Assurance Committee, in further detail, on 5 March 2025.
- 7.4.3 The Board NOTED progress against its 2024/25 Improvement Plan. The Board Secretary highlighted to Members that several actions were directly linked to the proposed refreshing of the Strategic Plan and associated KPIs, which remained 'in-progress'. The Board DISCUSSED the Improvement Plan and AGREED that the Principal, the Chief Operating Officer, and the Board Secretary should consider how best to progress in-complete actions relating to the Strategic Plan – in light of the ongoing strategic transformation journey (Minute 6.2 refers).
- 7.4.4 The Board DISCUSSED arrangements to hold a public meeting in the academic year 2024/25, as outlined in the 2024/25 Improvement Plan. The Board AGREED that the Chair, the Principal, and the Board Secretary should consider arrangements further and provide Members with an update prior to its next meeting.

8. ANY OTHER COMPETENT BUSINESS

8.1 BOARD REFLECTION / FEEDBACK

- 8.1.1 The Board NOTED that it had received the opportunity to consider the development of a transformation plan, in details, and looked forward to a further update on 6 February 2025.

8.2 DEPARTURE OF NON-EXECUTIVE MEMBERS

- 8.2.1 The Board NOTED that the tenure of Kerry McCormack, a Non-Executive Board Member, would end on 16 December 2024. The Chair, on behalf of the Board, thanked Ms McCormack for her contribution to the Board and its Audit & Risk Assurance Committee over the past 3 years.

8.2.2 The Board NOTED that the tenures of Non-Executive Members, Ross Laird and Gwen Raez, would end on 8 March 2025. The Chair, on behalf of the Board, thanked both Members for their contribution to the Board over the past 6 years.

9. FOR INFORMATION

9.1 AUDIT & RISK ASSURANCE COMMITTEE MINUTES 02.10.24

9.1.1 The Board NOTED the Audit & Risk Assurance Committee minutes from the meeting held on 2 October 2024.

9.2 NOMINATIONS COMMITTEE MINUTES 08.10.24

9.2.1 The Board NOTED the Nominations Committee minutes from the meeting held on 8 October 2024.

9.3 PLANNING & RESOURCES COMMITTEE MINUTES 14.11.24

9.3.1 The Board NOTED the Planning & Resources Committee minutes from the meeting held on 14 November 2024.

9.4 AUDIT & RISK ASSURANCE COMMITTEE MINUTES 26.11.24

9.4.1 The Board NOTED the Audit & Risk Assurance Committee minutes from the meeting held on 26 November 2024.

9.5 LEARNING, TEACHING & STUDENT EXPERIENCE COMMITTEE MINUTES 29.11.24

9.5.1 The Board NOTED the LTSE Committee minutes from the meeting held on 29 November 2024.

9.6 CORPORATE DEVELOPMENT COMMITTEE MINUTES 05.12.24

9.6.1 The Board NOTED the Corporate Development Committee minutes from the meeting held on 5 December 2024.

9.7 HEALTH & SAFETY UPDATE

9.7.1 The Board NOTED a Health & Safety Update which provided a quarterly update on occupational health, safety and welfare within the College over August, September and October 2024.

10. FOR CIRCULATION

10.1 RISK MANAGEMENT REPORT

10.1.1 The Board NOTED a Risk Management Summary Report and the Top-Level Risk Register to December 2024.

10.2 BOARD OF MANAGEMENT AGENDA PLANNER 2024/25

10.2.1 The Board NOTED an agenda planner for the 2024/25 academic year, which aimed to provide members with an opportunity to review upcoming items of business.

11. DATE OF NEXT MEETING

11.1 The Board NOTED that its next meeting would take place on 26 March 2025.

Meeting closed at 16:55