



For the future you want

POLICY & RESOURCES COMMITTEE

APPROVED MINUTES OF MEETING OF 25 FEBRUARY 2020

15:00 Boardroom, Milton Road Campus

Present: Lesley Drummond; Sam Hogrefe; Nigel Paul; Fiona Riddoch (Acting Chair)

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

1. WELCOME AND APOLOGIES

- 1.1 Apologies were received from Ann Landels and Niki McKenzie.
- 1.2 The Committee NOTED that in the absence of the Chair of the Policy & Resources Committee, Fiona Riddoch would assume the role of Chair.

2. DECLARATIONS OF INTEREST

- 2.1 No declarations of interested were noted.

3. MINUTES OF PREVIOUS MEETING

- 3.1 MINUTES 12.11.19
 - 3.1.1 The Committee APPROVED the minutes from 12 November 2019 as an accurate record of the meeting.
- 3.2 CLOSED MINUTES 12.11.19
 - 3.2.1 The Committee APPROVED the closed minutes from 12 November 2019 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.

5. 'A FUTURE PROOFED COLLEGE' UPDATE

- 5.1 The Committee NOTED a verbal update from the Principal on progress achieved to date in the delivery of the next phase of the three new transformational themes: (i) A College with a curriculum for the future; (ii) A high performing digital College; and, (iii) A resilient, agile College with reach and potential to grow.
- 5.2 The Committee NOTED that The Cumberford-Little Report, One Tertiary System: Agile, Collaborative, Inclusive, had been launched on 13 February 2020. The Principal advised the Committee that the findings of the Report identified the significant economic impact colleges already had, and identified how colleges supported a wide range of Scottish Government national priorities. Further to this, the Committee NOTED that the Board, at its next meeting on 24 March, would consider the Report and its recommendations in further detail.
- 5.3 The Committee NOTED that the Senior Management Team had held a Strategic Away Day on 05 February. The Principal advised the Committee that matters arising from the event would feed into the development of a planned Board Strategy Day on 28 April.

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 of 10 February 2020) the credit position was 0.7% greater than at the same point in the previous academic year. The Vice Principal, Education & Skills advised the Committee he was confident that the College would meet its 2019/20 activity target, following work by the Vice Principal, Heads of Faculty and Curriculum Managers to implement additional credit-bearing activity in Semester 2.
- 6.3 The Committee NOTED a presentation from the Vice Principal, Education & Skills, outlining that 62% of enrolments in 2019/20 were for part-time courses. The Vice Principal informed the Committee that in 2017/18 part-time enrolments accounted for only 50% of students. The Committee DISCUSSED the scope of the College to deliver more part-time learning if, as projections indicated, fewer students were seeking to study full-time.
- 6.4 The Committee NOTED that retention rates had improved by 0.6% between 2018/19 and 2019/20, although it was acknowledged that further improvements were required in full-time further education - where early withdrawals had marginally increased. The Vice Principal advised the Committee that although retention figures had improved slightly the College remained committed to continued improvement, and better attainment results for those who continued their course to completion.
- 6.5 The Committee DISCUSSED the following in relation to the recruitment and retention figures outlined:

- (i) The decrease in full-time students at the College and across the wider college sector;
- (ii) the current college sector funding model and its alignment with the increased trend in part-time modes of study;
- (iii) the Cumberford-Little Report recommendations and their scope to influence policy-makers;
- (iv) the increased number of none credit bearing students attending the College, and the impact of this upon attainment of activity targets.

6.6 The Committee DISCUSSED the achievement of credits and AGREED that further detail on this should be included in a future presentation on the curriculum planning for Board members as part of their induction and development.

7 FINANCE REPORT

7.1 MANAGEMENT ACCOUNTS TO DECEMBER 2019

- 7.1.1 The Committee NOTED the financial performance of the College as outlined in the Management Accounts to December 2019.
- 7.1.2 The Committee NOTED that the College in the first quarter of the financial year was showing an adverse annual forecast movement against the full-year budget. The Head of Finance advised the Committee that a significant portion of the adverse income variance related to tuition fees (SAAS, scheduled courses and HEFT fees), but other areas remained in line with the profiled budget to date.
- 7.1.3 The Committee DISCUSSED the efforts of the College to return to a breakeven operating position, and the continued work of the Finance Team to support budget managers accordingly.

7.2 FINANCIAL PLAN 2019-24

- 7.2.1 The Committee NOTED the financial plan and forecasts of the College for year ended 2018/19 to 2023/24. The Chief Operating Officer advised the Committee that the Financial Plan outlined a pathway towards long-term financial sustainability for the College, and that it was good practice for members to consider all areas of performance that could impact on the College's viability over the next 4-5 years.
- 7.2.2 The Committee NOTED that pay costs had increased by 9% from 2017/18 to 2019/20, and that it was expected that there would be further increases by 2023/24. The Chief Operating Officer advised the Committee that pay costs were now 77% of total spend, and was not at an affordable level to achieve financial sustainability. Further to this, the Committee NOTED that uncertainties around pay related costs including withdrawal from the EU, national pay, staff terms & conditions and changes in government policy all impacted on medium to long-term financial planning/forecasting.
- 7.2.3 The Committee NOTED that the main source of College funding came from the SFC and was based on an activity target predicated on student 'full-time equivalent'. The Chief Operating Officer informed the Committee that despite growth in part-time provision by 28%, full-time

provision had contracted by circa 10%. Further to this, the Committee NOTED that there had also been adverse income movements across tuition fees, scheduled courses, public sector contracts and commercial and international income which in the short to medium term were unlikely to improve.

- 7.2.4 The Committee NOTED that in the current year (2019/20) the College faced the challenge of identifying £1.2m in-year operational savings to balance the annual budget. In response to the operational savings required, the Chief Operating Officer advised the Committee that the Financial Plan supported two distinct (and unrelated) ambitions to make the necessary short, medium and long-term savings required for financial sustainability, whilst also ensuring that the College reshaped its offer to meet student and industry demand.
- 7.2.5 The Committee DISCUSSED the financial assumptions and scenarios outlined by the Chief Operating Officer, and the requirement of support funding from the SFC to achieve its financial aims.
- 7.2.6 The Committee AGREED that the Financial Plan 2019-24 should act as a basis for discussions with the SFC with regards to what financial support could be provided to the College. The Acting Chair advised the Committee that it was important that the Workforce Development Plan and the Curriculum Plan were progressed and fed into the Financial Plan and the assumptions / scenarios provided within it.

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 work currently been undertaken by the HR Team to improve the logging of employee relations cases in order to provide meaningful management data and to track the progression of cases. The Head of HR & OD advised the Committee that it was hoped, in future, that further analysis of data would provide managers and the Policy & Resources Committee with improved information.
- 8.3 The Committee NOTED that the College currently allowed significantly more remission time for trade union duties than other colleges. The Head of HR & OD advised the Committee that this dated back to the formation of the College in 2012, when it was recognised that the merger process created an increased workload for unions representative. The Committee NOTED that the College was now in the process of reviewing remission time, with a view to bring remission hours in line with other colleges in the sector as much work is now through national agreement. The Head of HR & OD informed the Committee that EIS had opposed the proposal, and discussions with trade unions remained ongoing.
- 8.4 The Committee NOTED that a four-year Workforce Development Plan was currently being developed by the Head of HR & OD, and work was ongoing with the Senior Management Team to work through actions to reduce staff costs. The Head of HR & OD advised the Committee that the Workforce Development Plan would also aim to develop a more flexible employment model within the constraints of national bargaining.

- 8.5 The Committee NOTED that Enhance, the personal development process implemented by the College, would be relaunched to all staff later in the academic year.
- 8.6 The Committee NOTED the HR Dashboard for Quarter 2 of 2019/20 and DISCUSSED staff morale in relation to increased staff absences during the period. The Principal advised the Committee that, although morale was generally positive, the upcoming staff survey (expected to take place before the end of the 2019/20 academic year) would help provide an enhanced overview of the current situation.

9 CAPITAL AND INFRASTRUCTURE REPORT

9.1 OUTLINE BUSINESS CASE FOR CONSTRUCTION FACILITY UPDATE

- 9.1.1 The Committee NOTED that the College had received confirmation of funding from the SFC to develop an outline business case for a new Construction facility at the Granton Campus. The Chief Operating Officer advised the Committee that, further to previous updates provided to members, the SFC had asked the College to also incorporate Motor Vehicle facilities into the outlines business case.
- 9.1.2 The Committee NOTED that following a procurement tender, the College appointed Rieach & Hall (Architects) and Gardner & Theobald (Engineers and Project Managers) to complete the College's Outline Business Case. The Chief Operating Officer informed the Committee that both consultants had extensive experience in the College sector and in working with the SFC on such business cases.
- 9.1.3 The Committee NOTED that the Outline Business Case would be completed in advance of the next meeting of the Policy & Resources Committee, and a further update would be provided in due course. The Chair, on behalf of the Committee, welcomed developments and the College's continued engagement with City of Edinburgh Council to explore the availability of land at the Granton Waterfront.

10. HORIZON SCANNING REPORT

- 10.1 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 further to this, the report also indicated what the College was doing to address these impacts.
- 10.2 The Committee NOTED that, on 23 January 2020, the UK Parliament's European Union (Withdrawal Agreement) Act 2020 had been granted Royal Assent. The Head of Communications, Policy and Research informed the Committee that the Act made legal provision for the UK to leave the EU on 31 January 2020, and for the UK Government to negotiate future working arrangement with the EU Parliament during the transition period.

- 10.3 The Committee DISCUSSED the impact of EU withdrawal on current and prospective college students, College staff, College finances and the wider City and regional economy. The Head of Communications, Policy and Research advised the Committee that the College had not witnessed an adverse impact on EU student numbers as yet, although recruitment would continue to be monitored as changes following EU withdrawal were implemented.
- 10.4 The Committee NOTED that the Audit & Risk Assurance Committee, at its meeting on 20 November 2019, had undertaken a risk deep dive into the EU withdrawal preparations undertaken by the College.
- 10.5 The Committee NOTED the Scottish Government announced its Draft Budget 2020/21 Proposal on 06 February 2020. The Head of Communications, Policy and Research informed the Committee that the Draft Budget proposed an increase in current levels of revenue funding for college sector by 3.6% in real terms, which represented an additional £33.5m against the previous year's Draft Budget (2019/20).
- 10.6 THE Committee DISCUSSED the Scottish Government Draft Budget 2020/21 Proposal and NOTED that, going forward, there may be opportunities for colleges to access other funding streams in relation to environmental sustainability, reducing inequality and improved public services.

11 ANY OTHER COMPETENT BUSINESS

- 11.1 None.

12. DATE OF NEXT MEETING

- 12.1 The next meeting of the Policy & Resources Committee will take place on 19 May 2020, in the Boardroom, Milton Road Campus.

Meeting closed at 17:00