

BOARD OF MANAGEMENT

Minutes: 21 June 2017

Present: Keith McKellar (Chair)
Audrey Cumberford, Mike Haggerty, Jacqueline Henry, Andrew Hunter, Jenifer Johnston, Linda Johnston, John Leburn, John McMillan, Mark Newlands.

Attending: Stephanie Graham (Vice Principal Educational Leadership), David Alexander (Vice Principal Operations), Liz Connolly (Vice Principal Corporate Development), Alan Ritchie (Director of Finance and Estates), Gwen McArthur (Secretary to the Board).

Apologies: Moses Apiliga, Nick Allan, Jim Hannigan, Andrew Hetherington, Lyndsay Lauder, Paul McFarlane, Alison Mitchell, Joyce White.

BM368 WELCOME

On behalf of the Board the Chair welcomed Jenifer Johnston to her first meeting since her return from maternity leave. He also welcomed Alan Ritchie, Director of Finance and Estates, to the meeting.

BM369 DECLARATION OF INTERESTS

John McMillan, Audrey Cumberford and David Alexander declared an interest as Trustees of the West College Scotland Foundation. Audrey Cumberford also declared an interest as a member of the Council of the Scottish Funding Council (SFC).

BM370 RESIGNATION

The Chair informed the Board that Paul McFarlane, the Teaching Staff member on the Board, had resigned from the Board with immediate effect. As the College was now approaching the end of the session it was considered that it would be better to seek nominations and run an election process following the summer break, once all the Teaching Staff had returned.

The Board, therefore

RESOLVED that the provisions of paragraph 2.6.4 of the Articles of Governance be set aside so that the nominations and elections process for a member of Teaching Staff to join the Board be initiated following the summer break.

[Action: GMcA]

BM371 MINUTES

The minutes of the meetings held on 15 and on 27 March 2017 were approved.

BM372 ACTIONS FROM THE MINUTES

The Board noted the actions taken since the last 2 meetings and particularly the following:

- i. Review of Governance Effectiveness (BM355)** – the Board was pleased to note that the Report of the Review of the Board Effectiveness and the Board Development Action Plan had both been forwarded to the SFC in time for its deadline of 31 March 2017. They had also been issued to all Board and Committee members and placed on the College website.
- ii. Regional Outcome Agreement and Access & Inclusion Strategy (BM358)** – the Board was pleased to note that the Learning, Teaching and Quality Committee had approved both these documents, without any changes. Both documents had then been forwarded to the SFC for its deadline of 31 March 2017.
- iii. Remuneration Committee (BM363.1)** – the Remuneration Committee had not met in May, as originally intended, and so had still to formally note its revised remit.

BM373 NATIONAL BARGAINING (BM350)

The Board was aware that since the last meeting members of the Educational Institute of Scotland (EIS) had taken industrial action and had staged 6 days of strike action. Talks between the EIS and the Employers had continued throughout this period and were still continuing. The Principal provided the Board with a brief history of the dispute and what steps had been taken during this time by the College in response to the industrial action and the current position with regard to negotiations and the Employers Association. The main point at issue related to the implementation of the negotiated pay agreement and negotiations in relation to terms and conditions. ACAS had been involved in trying to find a resolution to this matter, but no agreement had been reached. Since then an independent mediator had been appointed by the Scottish Government.

A recent meeting had been held with the Deputy First Minister in order to identify what action could be taken and to try and find a resolution to this matter. The Employers Association had consistently argued that if National Bargaining was to be implemented then it had to be fully funded by the Scottish Government. The Deputy First Minister had indicated the Scottish Government was committed to National Bargaining and that there would be no additional funding in 2017/18 to meet these costs involved but consideration would be given to the costs associated with implementation of national bargaining within the next spending review period.

The Employers Association had met again on 19 June 2017 and had agreed to pay the first 25% of the negotiated deal.

In discussion the Board members expressed their concern regarding the ability of the College and the wider sector to be able to meet this increase in costs. While West College Scotland was committed to meeting the cost of the pay increase in 2017/18 from the available College budget, it was acknowledged that some colleges may not be in a position to do so. Also the position in subsequent years would be unsustainable if no funding was to be provided to meet the costs. The Board members were also concerned at the negative impact this national dispute had had on staff relations, not just with Teaching staff but with the Support staff. Reference was made to the risk register which identifies the potential impact of national bargaining on what are positive local relations. The Principal highlighted a recent meeting with local representatives where there was a collective commitment to maintaining these positive relations and a joint recognition that national events can and do impact locally. There was a concern that reputational damage to the College could impact on student recruitment, particularly if strike action was to resume. A view was expressed that questioned the value of the fee to Colleges Scotland whose function was to support the College sector and Employers Association. The Board members were frustrated with the situation they now found themselves in, especially when they had no direct control over national bargaining implementation or impacts. The Board would be kept informed of developments. **[Action: AC]**

BM374 BUDGET 2017/18 AND FINANCIAL STRATEGY

- .1 The Board considered the proposed Budget for 2017/18 and the 5 year Financial Strategy (2017/18 – 2021/22) for the College. A small operating surplus of £39k (after accounting adjustments) was forecast, which was effectively a break even operating position. However, this would translate into a forecast financial accounting deficit of £1,490k for the year to 31 July 2018 due to the application of cash arising from net depreciation in order to meet strategic priorities agreed by the SFC. The Board was reminded that the top spending priorities for the College remained as: loan repayments; student support; and estates maintenance; and that there were certain budgets that were protected: investment in IT infrastructure and estates maintenance being the main areas protected.
- .2 In discussion the following points emerged:
 - Cash arising from net depreciation funds was being used to meet core funding gaps. When this arrangement had first been instituted two years ago the SFC had indicated that this would be for one year only. However, this was now an annual occurrence.
 - SFC had produced a document which provided an indication of the financial position for the College sector over the next 5 years. However, it was anticipated that these numbers would change over time. The College would also be reviewing its financial projections on a regular basis as more information became available.

- The College needed significant investment in its estate, with the Estate Strategy highlighting the need for £34M investment over the next 10 years just to maintain the current estate holding at Condition B. The level of estates maintenance funding provided by SFC in 2017/18 of £1.976M represented a reduction of £449k (18.5%) compared to that received in 2016/17. The College was in the process of developing a case for strategic investment in its estate which was now becoming a matter of some urgency.
 - The College had received additional funding from SFC for 2017/18 to deliver additional credits of Childhood Practice. This funding could not be used for any other purpose. The College had only recently been notified of this additional funding and was now working hard to promote the learning opportunities available so that it could recruit the number of students required to fill these places.
- .3 The Board was satisfied that the College budget was being well managed but it was now at the stage where, if continued cost pressures were not matched by increased levels of funding and investment going forward, the financial sustainability of the College would be challenging. The Board was, in effect, being asked to manage a period of decline. It was disappointed that the College was in the position of having to post a financial accounting deficit for the second year in a row due to the required use of cash arising from net depreciation. The College Executive would be meeting with the SFC to discuss this matter further and to draw attention to the financial position of the College and the need for investment.

It was noted that the Finance and General Purposes Committee had asked that the 5 year Financial Strategy be revisited going forward and different financial projections be provided showing different potential financial scenarios.

- .4 Following discussion and in light of the comments raised above and expressed through the Committee reports, the Board
- RESOLVED** that
- i. The Students Association budget for 2017/18 be set at £83,000;
 - ii. The College budget for 2017/18 be approved as presented;
 - iii. The 5 year Financial Strategy be approved, but this be revisited to provide information on different future financial scenarios for further consideration.

[Action: DA; AR]

On behalf of the Board the Chair thanked the Vice Principal Operations, the Director of Finance and Estates, and their team in light of the significant amount of work undertaken to produce the Budget and the Financial Strategy.

BM375 CHIEF EXECUTIVE'S REPORT (BM356)

The Board noted the report from the Principal and Chief Executive, and in particular the following matters:

- i. Audit Scotland Report 2017** – it was noted that the Audit Scotland Report on Scotland’s Colleges 2017 would be published the following day. Copies of this report would be made available to the Board. **[Action: AC]**
- ii. Enterprise and Skills Review: Phase 2** – it was noted that the Report on the second phase of the consultation regarding the Enterprise and Skills Review by the Scottish Government would also be published the next day. Copies of this report would also be provided to the Board. **[Action: AC]**
- iii. Voluntary Severance Scheme (BM357)** – discussions with SFC were continuing regarding the possible funding of a Voluntary Severance Scheme.
- iv. Scottish Funding Council Strategic Dialogue Meeting** – the Board noted that the Strategic Dialogue Meeting with the SFC had taken place on 3 May 2017. A range of matters had been discussed including: governance and financial health; engagement with employers; and campus development ambitions for the College. Further discussions with the SFC would take place in the future to consider particular matters raised and the Board would be kept informed of the outcomes of these discussions.
- v. Improvement Pilot** – the Board was pleased to note that the College had been invited by the Scottish Government to take part in an improvement project focussing on student retention and attainment. The College was one of five colleges invited to participate in this pilot. It was hoped that the outcomes of this pilot would inform the College’s internal improvements priorities as well as contributing to sector wide improvements.
- vi. Ministerial Visit** – the Minister for Further Education, Higher Education and Science, Shirley-Anne Somerville, had visited the College on 13 June 2017. During this visit the Minister met with students, staff and employers to see first-hand how the College engaged with business to enhance the student experience and to help support businesses in the Region to grow and develop.
- vii. The Herald Higher Education Awards for Scotland** – the Board was pleased to note that West College Scotland had been short-listed for awards in the following categories:
Outstanding Employer Engagement in Colleges – The Designers of Tomorrow
Widening Access Award – Access to Primary Education.
The winners would be announced on 6 July 2017.

BM376 CHAIR’S REPORT (BM359)

The Board noted the Chair’s report and particularly the following:

The Chair had attended the Colleges Scotland Residential Board meeting on 30 & 31 March 2017 where one of the guest speakers had spoken about the challenges associated with Brexit. John Leburn informed the Board that he had recently read a paper from the Institute of Chartered Accountants on the subject of Brexit which he had found particularly useful. A copy of this report would be provided to the Board for information. **[Action: JL; GMcA]**

BM377 STUDENTS ASSOCIATION REPORT (BM360)

The Board noted the report from the Student President on the activities of the Students Association. In particular, the Student President reported to the Board on the following:

- A new Student President, Matthew Marsden, had been elected who would take up office on 1 August 2017. Three Vice Presidents, one based at each Campus, had been elected and would also take up their posts on 1 August 2017. A handover programme was in place and the new officers would be attending a number of training and development events over the summer.
- The Students Association had worked with the staff to mitigate the impact of the EIS strike action on the students. The students were aware that the strike action had only been suspended, not resolved, and that any continuation of the strike action could damage the reputation of the College Sector as a whole. It was a concern for this College in particular as it was situated in a Region with high levels of deprivation.
- The Board noted an update on the progress made with the 'You said, we did', actions. The results of the student surveys had fed into this action plan. The Board was pleased to note that progress made.
- The Student President tabled a paper which highlighted the outcomes from the most recent student survey in response to questions about the Students Association. It was noted that the full outcome from the student survey had still to be considered by the curriculum teams and Sector Heads and that a report would be provided to the Learning, Teaching and Quality Committee at its next meeting and a report made to the next Board meeting.

[Action: SG]

- The Student President presented a case for additional support for the Students Association. The Students Association was seeking to appoint a Development Officer who would work solely for the Association and would provide not only support but continuity for the Association and could provide the induction and training necessary for the Student Association Officers. This matter had been discussed at the last meeting of the Learning, Teaching and Quality Committee where the view had been reached that while the Committee was supportive of this request in principle, it had to be considered in light of the overall financial position and funding priorities of the College. The Education Leadership Team staff already provided support to the Students Association and this was being reviewed to ensure that it was sufficient to support the Association. This

matter would be considered further by the Executive as part of their consideration of the Operational Plans for the different areas of the College and the identification of the funding priorities.

The Board welcomed this report and thanked Andrew Hunter, the Student President, for all the work he had undertaken during his presidency. He had been a strong advocate for the students and had ensured that the voice of the students was heard. He had worked tirelessly for the students and had built strong working relationships with the staff. The Board congratulated him on his achievements and wished him well for the future.

BM378 STUDENT PARTNERSHIP AGREEMENT (BM360)

The Board received the draft Student Partnership Agreement 2017 -2020, which had been developed jointly by staff and students to promote an understanding of the developing relationship between the College and the Students Association. This Agreement formalised the commitment from both parties to developing a strong, robust, effective and autonomous Students Association. The Learning, Teaching and Quality Committee had considered this at its last meeting and had endorsed the report and supported the direction of travel. The Board

RESOLVED that the Student Partnership Agreement 2017-2020 be approved and that it continue to be developed over time. **[Action: SG]**

BM379 BOARD MEMBERSHIP (BM363.2)

The Board noted that the Selection Panel had held interviews on 7 June 2017 to recruit a new Board member. On the recommendation of the Selection Panel the Board

RESOLVED that Angela Wilson be appointed to the Board with effect from 1 September 2017, subject to the approval of the Scottish Ministers.

[Action: GMcA]

BM380 COMMITTEE REPORTS

The Board noted the following reports:

.1 Corporate Development Committee

The Board noted the minutes of the meetings held on 28 March and 16 May 2017 of the Corporate Development Committee and particularly the following:

i. Alternative Income (CDM111,125) – it was noted that the total alternative income secured for 2016/17 would be slightly lower than originally anticipated but that staff were working hard to deliver the best outcome for the College. This was a very competitive area of activity with many other providers also competing for business in the area.

ii. Dashboard/Performance Reporting (CDM103, 116) – the Board noted the progress made in developing the performance dashboard for the College. It was the intention to bring the next edition to the Board at its meeting in October. **[Action: LC]**

- iii. **George Johnston** – the Board joined the Committee in thanking George Johnston for all his hard work and dedication to the College in taking forward many new and innovative developments and for encouraging and supporting the staff to use technology to support the teaching and educational experience of the students. The Board wished him well for the future.

.2 Organisational Development and HR Committee

The Board noted the minutes of the meeting of the Organisational Development and HR Committee held on 17 May 2017. The Committee had considered a range of matters including: the progress with workforce planning and the development of the performance dashboard. The Committee had welcomed the Equality Report 2017 which would be brought to the Board in October. It was also noted that the Committee had authorised the Chair of the Board of Management and the Principal to sign the revised Health and Safety Policy Statement.

.3 Nominations Committee

The Board noted the minutes of the meeting of the Nominations Committee held on 23 May 2017 and particularly the following matters:

- i. **Leave of Absence Policy for Board Members (NM74)** – the Board **RESOLVED** that the Leave of Absence Policy be approved as presented.
- ii. **Co-opted Membership of Audit Committee (NM73.3)** – the Nominations Committee had been informed that the College had agreed to participate in the pilot programme being run by the Scottish Government and Standard Life, whereby the Scottish Government would match individual employees from Standard Life with appropriate public bodies so that they could be invited to join Board Committees. The College had been successfully matched with an individual and, on the recommendation of the Nominations Committee, the Board **RESOLVED** that Graeme Bold be co-opted to the Audit Committee for the period 1 July 2017 to 30 June 2018. **[Action: GMcA]**
- iii. **Equality and Diversity (NM71)** – it was noted that the College's Equality, Diversity and Inclusion Manager, Clare Fraser, would undertake a review of the current recruitment and selection process for Board members. A report on her findings would be presented to the Board at its meeting in October.

.4 Learning, Teaching and Quality Committee

The Board noted the minutes of the meetings of the Learning, Teaching and Quality Committee held on 30 March and 24 May 2017 and particularly the following:

- i. **SFC/Education Scotland New Quality Arrangements (LM205)** – it was noted that new quality arrangements were being introduced which would be significantly different from the previous arrangements. The new

arrangements had a greater focus on the integration of performance monitoring of Outcome Agreements with the quality of the provision of services, taking account of the college's regional context. Under the new arrangements there would be annual evaluative reports and enhancement plans for the sector. The College was required to submit a self-evaluation report by the end of October. This report would be brought to the next meeting of the Board for approval prior to submission. **[Action: SG]**

- ii. **One Plus Activity (LM216)** – the Board noted the concerns raised by the Learning, Teaching and Quality Committee in relation to the amount of One Plus activity that the College could deliver in 2017/18 and the possibility that the SFC might apply this ratio to the level of activity that the College had undertaken during 2016/17. This activity was planned as a reduction from previous years but still over the threshold SFC intend to apply for 2017/18.
- iii. **Student Applications (LM216)** – the Vice Principal Educational Leadership informed the Board that the number of applications received to study further education courses was down slightly on this point last year, although higher education applications were comparable to last session. Staff were working hard to ensure that the overall recruitment figures achieved their target.
- iv. **Rose Brown** – the Board joined the Committee in paying tribute to Rose Brown who would be leaving the College at the end of the session. Rose had been committed to the College and to supporting the students and had worked tirelessly to achieve this. The Board wished her well in the future.

.5 Estates Committee

The Board noted the draft minutes of the meeting of the Estates Committee held on 30 May 2017. The Board noted the reports on progress with the following matters:

- i. **Inchinnan/Oakshaw Project (EM219.1)** – the work on this project had now started and was scheduled for completion in October 2017.
- ii. **Estates Maintenance Plans 2016-2021** – it was noted that the SFC had allocated estates maintenance funding of £1.967M to the College for 2017/18, which was a reduction of £449k (18.5%) compared to the final allocation received in 2016/17.
- iii. **Regional Outcome Agreement (EM225)** – the Board noted that the Estates Committee continued to monitor progress made in relation to the targets set in the Regional Outcome Agreement in 2016/17.
- iv. **Paisley Campus Development (EM230)** – it was noted that the Committee had considered the Options Appraisal and Outline Business Case produced to support the development of the Paisley Campus. This was being progressed and a further report would be made to the next Board meeting in October. **[Action: DA]**

.6 Finance and General Purposes Committee

The Board noted the draft minutes of the meeting of the Finance and General Purposes Committee held on 6 June 2017, and particularly the following matters:

- i. Revised Remit (FPM132)** – the Committee had proposed revisions to its remit to take account of the move to the Scottish Government’s banking service operated by the Royal Bank of Scotland. On the recommendation of the Finance and General Purposes Committee the Board **RESOLVED** that the remit of the Finance and General Purposes Committee be amended as proposed. **[Action: GMcA]**
- ii. IT Strategy Update (FPM134)** – the Board was pleased to note that the Committee had received a report on the recent global cyber-attacks and that no College devices had been affected.
- iii. Joyce White** – on behalf of the Board the Chair paid tribute to Joyce White for her significant role and for her advice and contributions to the working of the Committee.

.7 Audit Committee

The Board noted an oral report from the Chair of the Audit Committee following the meeting held on 8 June 2017, and particularly the following matters:

- i. Evaluation of Internal Auditors (AM259)** – the Committee had conducted the annual evaluation of the Internal Auditors and had been pleased to note that the feedback was positive.
- ii. Audit Strategy Memorandum (AM261)** – the Committee had met with the new Director from Mazars LLP, Lucy Nutley, to discuss the strategy for the audit of the Financial Statements 2016/17. This had been a very helpful and positive discussion regarding the approach Mazars would be taking.
- iii. Appointment of Auditors for Year End Audits (AM262)** – it was noted that there were other year end audits to be undertaken in addition to the Financial Statements. As this was the first year that Mazars would be undertaking the audit of the Financial Statements the Committee had agreed that Wylie & Bisset undertake the year end audits 2016/17 for the following: SFC Credits; SFC Student Support Funding; Educational Maintenance Allowance; and SAAS Discretionary Funds. This would allow Mazars to become familiar the operations of the College before undertaking the full range of the audits required.
- iv. Annual Review of the Effectiveness of the Audit Committee (AM265)** – the Committee had conducted a review of its effectiveness which had produced a positive report.
- v. Closed Session with Internal Auditors (AM274)** – the Committee members had met in closed session with the Internal Auditors. The Auditors had confirmed that they had no concerns to raise and continued to receive excellent co-operation and support from the College staff. They also confirmed that the Senior Management Team were very engaged with the audit process and were keen to use Internal Audit to help in their

programme of continuous improvement in the College. The Board welcomed this information.

BM381 STRATEGIC RISK REGISTER (BM364)

The Board considered the Strategic Risk Register. It was noted that this risk register was updated regularly following consideration at meetings of the Senior Management Team, the Board Committees and the Board itself. In discussion the Board was aware that staff relations and staff morale were low at present, mainly as a result of the National Bargaining situation, and this would continue to be monitored and action taken as appropriate where necessary.

The Board **agreed** that the Strategic Risk Register be approved.

BM382 BOARD: MEMBERSHIP, DATES OF MEETINGS AND SCHEDULE OF BUSINESS (BM365)

The Board noted its current membership, the proposed schedule of business 2017/18 and the dates of Board and committee meetings for 2017/18.

BM383 REPORT ON DELEGATED ACTION TAKEN SINCE LAST MEETING

The Board noted that the Chair had signed the loan covenant agreements with the Bank of Scotland and the Clydesdale Bank, which had to be revised in light of the College's move to the Scottish Government banking service. The Board homologated this action.

BM384 FAREWELLS

This was the last meeting for Joyce White, Andrew Hunter and Moses Apiliga. On behalf of the Board the Chair thanked each of them for all their hard work, their commitment to the College and for their contributions to the work of the Board.

BM385 NEXT MEETING

Monday 9 October 2017 at 4.00 p.m. at the Greenock Campus. This would be preceded by a development session on the Board's responsibilities in relation PREVENT which would be held at 3.00 p.m.