

**WEST COLLEGE SCOTLAND**

**BOARD OF MANAGEMENT**

**THURSDAY 12 SEPTEMBER 2013 at 10.00 a.m. in**

**The Abercorn Centre, Paisley Campus**

**AGENDA**

**General Business**

1. Apologies
2. Declaration of Interests
3. Minutes of the meeting held on 1 August 2013 Circulated MY

**Proposed amendment to Minute 3.3**

The following addition and amendment are proposed to

the minute:

‘The Board **agreed** that

1. under the terms of paragraph 1.8 of its Constitution,

Gerard Kelly be appointed as Vice Chair with effect from

1 August 2013; and

1. under the terms of paragraph 1.5 of its Constitution the

membership be as set out in the Annex to the Minutes.’

The rest of the minute remains unchanged.

1. Matters Arising from the minutes

Minute 3.3 Membership of the Board Oral MY

1. Chief Executive’s Report Paper 1 AC
2. Report from Vice Principal Educational Leadership SG

Annual Quality Report to SFC Paper 2

**Main Items for Discussion and/or Approval**

1. Office of National Statistics (ONS): Reclassification of

Incorporated Colleges

1. Reporting Requirements Paper 3 AR
2. Establishing Trusts Paper 4 AC

**Items for Information**

1. Students Association: Background Information Paper 5 LC

To follow

1. Committee Reports
2. Finance and Business Enterprise Committee Paper 6 AR

Minutes of the meeting held on 20 August 2013

1. Project Management Report Paper 7 SR
2. Updated Information for the Board Paper 8 GMcA

This includes Membership of the Committees, Dates

of meetings and schedule of business

1. Report on Action Taken since last meeting Paper 9 GMcA
2. Any other business
3. Next meeting: **Monday 28 October 2013 starting at 4.00 p.m.**

in Ardgowan 1, Finnart Street, Greenock Campus.

 Gwen McArthur

Secretary to the Board

**Confidential**

**BOARD OF MANAGEMENT**

**Minutes:** 12 September 2013

**Present:** Michael Yuille (Chair), Audrey Cumberford, Mike Haggerty, Jacqueline Henry, Andrew Hetherington, Michael McAuley, David McDonald, Maggie McManus, John McMillan, Joyce White.

**Attending:** Stephanie Graham (Vice Principal Educational Leadership), David Alexander (Vice Principal Operations), Liz Connolly (Vice Principal Corporate Development), Stephanie Robertson (Project Manager), David Gunn (Director of Organisational Development & HR), Alan Ritchie (Director of Finance and Estates), Michelle McCrorie (Students’ Association), Gwen McArthur (Secretary to the Board).

**Apologies:** Esther Denning, Gerard Kelly, Maggie Morrison, Lee Campbell, Johnpaul Johnston.

**BM9 WELCOME**

Michael Yuille welcomed the new members who were attending for the first time: Andrew Hetherington, Maggie McManus, Michael McAuley and David McDonald. He also welcomed the two new Vice Principals, David Alexander and Liz Connolly.

**BM10 DECLARATION OF INTERESTS**

Michael Yuille declared an interest as Regional Lead for West Scotland.

**BM11 MINUTES**

The minutes of the meeting held on 1 August 2013 were approved subject to the following amendment:

 **Minute 3.3 Membership of the Board and Board Committees**

 **Delete:** the first sentence

 **Insert:** ‘The Board **agreed** that

1. Under the terms of paragraph 1.8 of its Constitution, Gerard Kelly be appointed as Vice Chair with effect from 1 August 2013; and
2. Under the terms of paragraph 1.5 of its Constitution the membership be as set out in the Annex to the minutes.’

**BM12 MEMBERSHIP OF THE BOARD AND BOARD COMMITTEES (BM3.3)**

The Chair provided a report from the Nominations Committee regarding the membership of the Board and its Committees. On the recommendation of the Nominations Committee the Board **agreed** that, under the terms of paragraph 1.5 of its Constitution and, with immediate effect

1. Lyndsay Lauder and Jim Hannigan be invited to join the membership of the Board;
2. Lyndsay Lauder join the membership of the Organisational Development and HR Committee;
3. Jim Hannigan join the membership of the Finance and Business Enterprise Committee;
4. Robin Downie be co-opted to membership of the Audit Committee.

**Secretary’s Note:** it has also been agreed, on the recommendation of the Nominations Committee, that Esther Denning join the membership of the Learning, Teaching and Quality Committee; and Andrew Hetherington move from membership of the Finance and Business Enterprise Committee to the Estates Committee. **[Action: GMcA]**

In discussion it was **agreed** that, in the future, the Board should consider seeking potential members from the Third Sector.

**BM13 CHIEF EXECUTIVE’S REPORT**

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

* **Scottish Government’s Budget Statement –** the previous day the Finance Minister had announced the Government’s budget which had confirmed the financial figures for the FE Sector. These were as had been previously expected.
* **The Commission for Developing Scotland’s Young Workforce –** the interim report from this Commission, chaired by Sir Ian Wood, had recently been published and was considered to be a positive and helpful report which raised the profile of vocational training. It had implications for both the FE and the HE sector in Scotland. The Principal commended this report to the Board. It was noted that Colleges Scotland would co-ordinate a response to this report from the College sector.
* **Programme for Change –** this programme was now underway within the College, led by the Director of Organisational Development and HR and using external facilitators. A Project Board had been established to oversee activities in this area which would also develop and build on work currently underway on organisational culture. A site would be established on the staff intranet specifically to allow the Project Team to communicate with staff and to receive feedback from staff on progress with this initiative. The Board members welcomed this action and looked forward to receiving regular updates on progress via the Organisational Development and HR Committee.
* **College Tier 3 Structure and Staff Consultation –** the Senior Management Team (SMT) was currently looking at phase 2 (Tier 3) management levels and Departmental/Operations structures. Consultation on the proposed structures would commence shortly, followed by a recruitment and selection process. Management appointments in the curriculum were likely to take place post December in order to minimise the impact on the core curriculum business. Consultation with staff representatives on a West College Scotland matching-in policy was now underway, the aim of which was to match staff to posts where possible beyond Tier 3 level posts.
* **Estates Development at Greenock Campus –** the Board noted that a significant programme of capital development work was now underway at the Greenock Campus. This had all been agreed by the James Watt College Board of Management before the merger. The construction work had now started with not unexpected disruption on the work of the College. A project team had been established to oversee these works and were communicating with staff on a regular basis and were working hard to minimise the impact this work was having on the staff, students and neighbouring residents. This work should be completed by January.
* **Graduation Ceremonies –** it was **agreed** that the dates for the Graduation ceremonies would be sent to the Board members for information. **[Action: GMcA]**
* **All Staff Event –** on behalf of the Board the Chair congratulated the Principal and her team on the success of the all staff event held on 14 August 2013.

**BM14 REPORT FROM VICE PRINCIPAL EDUCATIONAL LEADERSHIP**

Stephanie Graham, Vice Principal Educational Leadership, provided a report to the Board on the area of her responsibility.

* **Structure** - She explained the senior structure of her section which comprised three Assistant Principals and two Directors each with responsibilities for different areas and activities.
* **Faculty Days** – three sessions had been held which brought teaching staff together according to their discipline. These sessions had proved to be well received by staff and helped engender team building across the Campuses.
* **Staff exchanges** – were now happening with staff moving to other campuses to teach where they were needed and to provide cover if staff were absent.
* **Joint classes** – had been held and were proving popular with the students, encouraging more student interaction across the College. This was also happening in sporting activities as well.
* **Joint Developments** – were now taking place in order to meet curriculum changes.
* **Sharing of equipment and resources** – was now occurring with these being moved to where they were needed.
* **Curriculum Planning and Review** – a formal review of the curriculum was about to start across the College. In light of the above events staff were now more open and willing to share staff, expertise and resources in order to get the best results.

The Chair thanked the Vice Principal for her report.

**BM15 ANNUAL QUALITY REPORT TO SFC**

 The Board was informed that the Scottish Funding Council (SFC) required each College to provide an annual report on institution-led review of quality assurance and enhancement activity which had to be endorsed by the governing body. It was acknowledged that the College, as part of the merger process, had assumed responsibility for staff, finances and other resources inherited from the previous three Colleges. However, it was questioned if the Board was prepared to provide an assurance on the quality of the educational provision of all three previous Colleges.

 A review of the educational provision at James Watt College had been undertaken by Education Scotland earlier in the year and this review, published in April 2013, had concluded that there was limited effectiveness in the James Watt College quality assurance processes. Discussions had taken place between the Principal and the Principal of Ayrshire College, who were in a similar position having merged with part of James Watt College. There was a general reluctance across the sector for the new Boards to take responsibility for their predecessor Boards in this area. SFC has been consulted and has indicated that they would provide further advice and guidance on this matter in due course. However, no further guidance had yet been received.

 In light of the above information the Board **agreed** to defer taking a decision on this matter until further advice was forthcoming from SFC.

**[Action: SG]**

**BM16 OFFICE OF NATIONAL STATISTICS (ONS)**

It was noted that the Office of National Statistics (ONS) had reclassified Incorporated Colleges as public sector bodies. This had a number of effects on the College and two papers had been circulated to provide background information to the Board. It was also noted that in England, Wales and Northern Ireland legislation had been used to ensure that Colleges remain outwith ONS reporting requirements. The Scottish Government had chosen not to go down this route.

 **16.1 Reporting Requirements**

As a public sector body the College would have to operate within the overall budget for Education set by the Scottish Government. If the College was to over- or underspend it would require to obtain Scottish Government approval in advance. Monthly cash flow reporting would be required as the College would need to remain within budget. The financial year would change to the period April to March, but the academic year would remain as August to July. This change would take effect from April 2014. Although the charitable status of the College would not be affected, the College, as a public sector body would not be able to hold cash reserves. In future if the College wished to borrow funding it would need to draw down on Government funds. All these changes would have a significant impact on the College and, not least, on the Finance Team who would have to implement these changes. SFC were aware of the scale of impact these changes would have and had provided additional, short-term, funding to allow the College to recruit additional staff to assist with the change implementation.

 **16.2 Establishing Arms-Length Trusts**

 In light of the above changes discussions within the sector were currently taking place. One of the most significant changes would be that the College would no longer be allowed to hold cash reserves to fund large scale projects. Discussions with SFC and the Scottish Government had been held and the view had emerged that establishing Trusts would be one solution to address this issue. Legal advice had been sought and three possible models for establishing Trusts had emerged, information on each of these was noted. SFC had indicated that its preferred option was to establish an ‘umbrella’ Trust for the sector with designated sub-funds for each College.

 In discussion it was noted that any Trust established would have to be independent of the College and would have to satisfy the criteria of OSCR (the Office of the Scottish Charity Regulator). If the College was to establish its own Trust and be the sole beneficiary it was questionable if this would meet the criteria set down by OSCR. However, the strong view emerging from Board members was that the College should establish its own Trust. Although this presented a risk to the College, it was considered that the risk was less than if the College decided to be part of the ‘umbrella’ Trust established by SFC. There would be a number of issues to resolve in establishing a Trust and it would be critical to ensure that the legal establishment of such a Trust was acceptable. The College should explore the possibility of establishing such a Trust on a Limited Liability arrangement.

 It was noted that the Finance and Business Enterprise Committee had discussed this matter at its meeting on 20 August 2013 and had recommended to the Board that the College should establish its own Trust.

 The Board **agreed** that the College should move to establish an Arms-Length Trust, preferably by April 2014. In undertaking this action the College would need to move quickly to obtain the relevant legal, audit and financial advice so that a Trust could be established by April 2014.

**[Action: MY/AC/AR]**

**BM17 STUDENTS ASSOCIATION: BACKGROUND INFORMATION**

Unfortunately this report was not available in time for this meeting. However, it was the intention of the Students Association to bring the report to the next meeting. **[Action: LC/JJ/MMcC]**

**BM18 COMMITTEE REPORTS**

The Board noted the minutes of the meeting of the Finance and Business Enterprise Committee held on 20 August 2013.

**BM19 PROJECT MANAGEMENT REPORT**

The Board noted the report from the Project Manager on progress with the integration activities of the College.

**BM20 UPDATE REPORT ON BOARD BUSINESS MATTERS**

The Board noted updated information on Board membership of Committees, the dates of meetings in 2013/14 and the Schedule of Business for 2013/14 for the Board. These would be subject to further revision and would be circulated again once updated. **[Action: GMcA]**

**BM21 REPORT ON ACTION TAKEN SINCE LAST MEETING**

The Board noted the following actions taken by the Chair and the Principal under delegated authority (Constitution, paragraph 1.13) since the last meeting:

1. **Financial Forecasts –** these had been recommended to the Board for approval by the Finance and Business Enterprise Committee. Due to the timing they were circulated to the Board members and, on receiving no objections, they were duly signed by the Chair of the Board and forwarded to SFC.
2. **Bank Loan Facilities –** the members of the Finance and Business Enterprise Committee considered the revised loan facilities offered to the College by the Bank of Scotland. Whilst it was agreed that these terms were not ideal they were the best that could be achieved at present. Under these circumstances the Principal signed the agreement with the Bank of Scotland.

**BM22 STRATEGIC AND TEAM BUILDING SESSION**

The Board members and the members of the Senior Management Team met following this meeting for a strategic and team building meeting. This proved to be a very positive and useful event.

**BM23 NEXT MEETING**

Monday 28 October 2013 at 4.00 p.m. at the Greenock Campus.

GMcA/20.09.13