

**WEST COLLEGE SCOTLAND**

**BOARD OF MANAGEMENT**

**MONDAY 28 OCTOBER 2013 at 4.00 p.m. in**

**Ardgowan 1, Greenock Campus**

**AGENDA**

**General Business**

1. Apologies
2. Declaration of Interests
3. Minutes of the meeting held on 12 September 2013 Circulated MY
4. Matters Arising from the minutes

(and not otherwise on the agenda)

 .1 BM13 Graduation Ceremonies Oral AC

 .2 BM16.2 Establishing Arms-Length Trusts Paper 1 AC

 (Paper 1 is a communication from SFC regarding

 Establishing Trusts)

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

1. Chief Executive’s Report Paper 2 AC
2. Harmonisation: Update Paper 3 GP
3. Consultation: Phase 2 Presentation AC
4. Estates Matters Oral Report AC
5. Students Association

.1 New Constitution Paper 4 MM

.2 Information and Strategic Plans Paper 5 LC

**Items for Information**

1. 2012/13 Outcome Agreement Review Paper 6 AC
2. Committee Reports
3. Finance and Business Enterprise Committee Paper 7 GK

Minutes of the meeting of 23 September 2013

1. Learning, Teaching and Quality Committee Paper 8 MH

Minutes of the meeting of 24 September 2013

1. Audit Committee Paper 9 MM

Minutes of the meeting of 26 September 2013

1. Estates Committee Paper 10 JM

Minutes of the meeting of 1 October 2013

1. Project Management Report Paper 11 SR
2. Updated Information for the Board Paper 12 GMcA

This includes Membership of the Committees, Dates

of meetings and schedule of business

1. Report on Action Taken since last meeting

No action to report

1. Any other business
2. Next meeting: **Monday 9 December 2013 starting at 4.00 p.m.**

in the Cunard Suite, Clydebank Campus.

 Gwen McArthur

Secretary to the Board

**Confidential**

**BOARD OF MANAGEMENT**

**Minutes:** 28 October 2013

**Present:** Michael Yuille (Chair), Audrey Cumberford, Gerard Kelly, Lee Campbell, Esther Denning, Mike Haggerty, Lyndsay Lauder, Michael McAuley, David McDonald, Maggie McManus, John McMillan, Joyce White.

**Attending:** Stephanie Graham (Vice Principal Educational Leadership), David Alexander (Vice Principal Operations), Gordon Paterson (Project Executive Director), Sara Rae (Director of Business & Enterprise – for BM29), Stephanie Robertson (Project Manager), David Gunn (Director of Organisational Development & HR), Alan Ritchie (Director of Finance and Estates), Gwen McArthur (Secretary to the Board).

**Apologies:** Jim Hannigan, Jacqueline Henry, Andrew Hetherington, Maggie Morrison, Liz Connolly.

**BM24 WELCOME**

Michael Yuille welcomed Gordon Paterson, Project Executive Director, and Sara Rae, Director of Business & Enterprise, to the meeting.

**BM25 DECLARATION OF INTERESTS**

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

**BM26 MINUTES**

The minutes of the meeting held on 12 September 2013 were approved.

**BM27 GRADUATIONS (BM13)**

It was noted that information about, and invitations to, the Graduation ceremonies had been issued to all Board members.

**BM28 ESTABLISHING FOUNDATIONS (TRUSTS) (BM16)**

 The Board noted the recent communication from the Scottish Funding Council (SFC) regarding the Reclassification of Incorporated Colleges (Communication Number 7, issued 17 October 2013). This reported on the Ministerial decision on establishing and transferring reserves to arms-length charitable Foundations and progress with establishing an umbrella Foundation for those Colleges who wished to pursue this option. At the last meeting the Board had agreed that the College should establish its own Foundation (Trust). The Chair and the Principal reported that good progress had been made in identifying five potential Trustees and consideration was being given to adding one member of the Board to the Foundation. The Board welcomed the information provided and, in discussion of this matter, the following points were raised:

* The precise wording of the agreement establishing the Foundation would be critical to what the College could expect from the Foundation and the success of the arrangement put in place;
* There were a number of audit and accounting issues still to be addressed and so further information would be sought from legal advisers and auditors;
* Previously cash reserves could be used to fund a range of programmes including voluntary severance, but this would not be permissible in the future as the Foundation would only release funds to support educational purposes. This matter had been raised with the SFC and the Scottish Government and further information was awaited;
* There were a number of risks in transferring reserves from the College to the Foundation and the priorities each of these bodies may have for the use of the funds available.

The Board **agreed** that it needed more information on this matter and that Mr McAuley and the Director of Finance and Estates should compile a list of issues for the auditors and legal advisers to address. The Chair and Principal would continue to pursue this matter on behalf of the Board and report back to the next meeting. **[Action: MMcA/AR/MY/AC]**

**BM29 CHIEF EXECUTIVE’S REPORT**

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

* **Commission for Developing Scotland’s Young Workforce –** the Board noted the response from Colleges Scotland to the interim report issued by the above Commission. Each of the Colleges had had the opportunity to provide comments to Colleges Scotland so that their response could be prepared using this information. The Principal informed the Board that the College was keen to explore opportunities for early pilots and had already embarked on discussions with other interested parties regarding the scope for a pilot project.
* **Annual Report on Institution-Led Review of Quality** **Assurance and Enhancement Activity** **(BM15) –** at the last meeting the Board had deferred taking a decision until further information had been provided by SFC. This information was now available and the Board was clear what needed to be provided to SFC. It was **agreed** that the Learning, Teaching and Quality Committee consider the relevant reports required by the SFC and action this matter on behalf of the Board.

**[Action: LTQ Committee]**

* **Kingdom of Saudi Arabia Contract** – the Principal informed the Board that the College had an opportunity to participate in a bid to run a group of Colleges in Saudi Arabia. This was the second wave of contract opportunities of this nature (Reid Kerr College having been involved in wave 1 as part of a consortium that reached the final contracting stage). The College was now involved in preparing a partnership bid with Fife College and Motherwell College (soon to be part of New College Lanarkshire) and had been shortlisted to submit a bid by 20 December 2013. Another Scottish Consortium had also been shortlisted and discussions were now taking place to explore the possibility of preparing one Scottish Consortium bid. While the Board welcomed this information a number of issues were raised, not least the level of risk, both financial and non-financial, the governance arrangements, the benefits to be obtained and the level of financial exposure that the College could face. Ms Rae, Director of Business & Enterprise, was involved in preparing the business plan for this proposal as well as addressing the various issues raised and provided some further background information to the Board. The Board **agreed** that, in the first instance, the Finance and Business Enterprise Committee should consider this proposal in light of the information available and the various issues raised and report back to the next meeting of the Board. **[Action: F&BE Committee]**
* **Outcome Agreement** – the Principal informed the Board that a progress report on the Regional Outcome Agreement for 2013/14 was currently being compiled. The Board noted the review of progress against the Outcome Agreement for 2012/13.
* **Recruitment Update** – the Principal was pleased to report that an offer had been made to an individual for the post of Director of Communications, Policy and Planning.
* **Collective Ambition Programme** – the Board was pleased to note that the Collective Ambition Programme had been formally launched within the College.

**BM30 HARMONISATION REPORT**

The Chair welcomed Mr G Paterson, Project Executive Director, to the meeting to present the progress report on harmonisation of staff pay and conditions. Mr Paterson was clear that staff harmonisation would be crucial to achieving success in the ‘Collective Ambition’ programme. The Board noted that a new Recognition and Procedures Agreement for Support staff had been agreed and was now in place. Many significant matters had been agreed, with only some matters of detail remaining to be negotiated. A new Recognition and Procedures Agreement for Lecturing staff was nearing agreement, as were many of the more significant matters requiring negotiation, with other matters still under discussion. The Board welcomed the progress made.

 Legal advice had been sought which made it clear that there should be no detriment to staff in terms of harmonisation. In following this advice the Board noted that this would represent an increase in staff salaries which equated to less than 1% of turnover. However, both JCNC’s had also submitted pay claims on behalf of their members for 2013/14 which were considerably higher than the management offer of a 1% pay increase. Now that more detailed information was available further consideration could be given to what the College could afford in terms of staff salaries. However, the Board **agreed** that achieving staff harmonisation was a priority and if a pay rise could be afforded once these costs had been met then this would be offered to staff at the appropriate time. **[Action: GP/AC]**

In looking to the future, further restructuring would be taking place across the College. The Senior Executive and Director posts had been agreed and the new structure put in place. Consultation on the next phase would commence shortly (see BM31 below). Once the new structure was agreed there would be opportunities for current staff to ‘match-in’ as appropriate. It was noted that significant savings (some 50.3%) had been achieved in senior staff salaries and the College now had a lean management structure, particularly in relation to other Colleges. However, further savings had to be achieved. The JCNC’s had asked the Board to reconsider its position regarding compulsory redundancies. In discussing this matter the Board concluded there were a number of factors in play, such as the strong desire to achieve harmonisation that would secure the objective of collective ambition, the current pay claim submitted by the Unions, the proposals to move towards collective bargaining and the overall funding settlement for the sector. According the ability to be flexible was limited at this stage. The Board felt that it could not go beyond its previous commitment which was a strong preference to manage headcount reductions through voluntary programmes but no guarantees could be given to avoid compulsory redundancies completely during the next phase of restructuring.

 On behalf of the Board the Chair thanked Mr Paterson for his report and for leading the negotiations in these matters.

**BM31 CONSULTATION PHASE 2 (BM13)**

The Principal presented proposals for the next phase of the College restructuring which would focus on Heads (Tier 3) and Operational Managers that reported directly to the Senior Management Team. Following the Board discussion it was the intention to issue the full consultation document to all staff on 31 October 2013 which would be followed by a 30 day period of consultation. Thereafter the structure would be finalised and appointments made. The proposed structure had been designed to be efficient, affordable and essential to realising the College’s ambitions. Opportunities for efficiency gains would be taken and investment made where necessary. It was the intention to avoid any unnecessary selection processes and so a ‘matching-in’ policy was in preparation and would be applied as appropriate. In order to assist with the restructuring process the Board was asked to re-open the voluntary severance scheme.

 The Board was informed that the restructuring of the Senior Management (Executive and Directors) had achieved a saving in senior salaries of 50.3%. The College now had a lean management structure which had been welcomed by the Unions as it would allow the College to focus investment in front-line services. The College had achieved savings of £4.4M so far and was on track to achieve its savings target. Funding from the College Transformation Funds would be available to help meet the costs involved in operating the voluntary severance scheme and could be committed up to 31 March 2014.

 The Board was aware that other Colleges had not reduced their senior staffing levels. However, it was the intention to keep the management as lean and efficient as possible which would help the College achieve its saving targets. The Board commended the Principal and her Senior Team for the steps taken. It was acknowledged that the once the next set of restructuring proposals were issued there was likely to be a dip in staff morale. Effective communication with staff would be essential to help deal with issues as they arose.

 The Board welcomed the next phase of the College Restructuring and **agreed** that the voluntary severance scheme be re-opened for the period to 31 March 2014 to be funded from the College Transformation Fund. **[Action: DG]**

**BM32 ESTATES MATTERS: GREENOCK CAMPUS (BM13)**

The Principal updated the Board on progress with the estates development work currently underway at the Greenock Campus. Some works were now complete, while others were on track to be completed in early January. In addition to providing regular communication updates to staff and students on progress with these works, the College had communicated with the local residents and the press. Indeed, there had been some positive reporting on the scale and significance of these works in the local press, which would also help in the communication with local residents. The Board welcomed this report.

**BM33 STUDENTS ASSOCIATION**

 **.1 Constitution**

Mr Campbell presented the proposed Constitution for the Students Association 2013/14. This had been revised in light of the merger and had been discussed within the Students Association. The document had still to be finalised and further advice considered. The Students Association had only just received guidance from NUS (National Union of Students) on revising the Constitution. The Board welcomed this information and was pleased to note that the Students Association was ahead of the other Colleges across the sector who were also revising their Constitution. It was noted that the Students Association would be taking further advice from a range of sources as they finalised the Constitution. It was **agreed** that the Constitution for the Students Association be finalised and brought to the Board at its meeting in January for further consideration. **[Action: SG/LC/JJ/MMcC]**

 **.2 Information and Strategic Plans**

Mr Campbell presented a brief overview of the Students Association, its activities and its plans for the year ahead. The Board was pleased to note that the Students Association was operating across all three Campuses, so that students would receive consistent information and access to resources, facilities and services. The formal student representative system and committees were now in place and operational, which should help embed democracy at the heart of the Association. The Association was keen to work with College staff and appropriate outside agencies on both local and national issues. One particular focus would be on student health, wellbeing and safety. The Association was keen to expand its social activities and to provide dedicated Association space on each of the Campuses. The Board welcomed this information and indicated its support for the aspirations of the Association to build on the strengths of the College and to provide an excellent learning experience for all its students.

**BM34 COMMITTEE REPORTS**

The Board received the following reports:

 **.1 Finance and Business Enterprise Committee**

The minutes of the meeting held on 23 September 2013 were noted, in particular the following matters:

**Financial Policies, Procedures and Regulations:** the Committee had approved the Financial Regulations and Treasury Management Policies for the College. It was **agreed** that the Scheme of Delegated Financial Authority be circulated to the Board for consideration and approval at the next meeting. **[Action: GMcA]**

 **.2 Learning, Teaching and Quality Committee**

The minutes of the meeting held on 24 September 2013 were noted.

 **.3 Audit Committee**

The draft minutes of the meeting held on 26 September 2013 were noted, in particular the following matters:

1. **Policies and Procedures:** the Committee had approved the Risk Management Policy and Procedures; the Procedure for Acceptance of Gifts and Hospitality; and the Register of Interests for Senior Management Team and Staff Budget Holders.
2. **External Auditors:** Audit Scotland had appointed Wylie and Bisset as External Auditors for the College.
3. **Internal Auditors:** the Committee had agreed to appoint Deloitte LLP as Internal Auditors for the College, initially for an 8 month period but with an option to extend for a further 12 months if necessary.

 **.4 Estates Committee**

The minutes of the meeting held on 1 October 2013 were noted, in particular the College now had detailed information on its property holding across the three Campuses, including financial valuations, insurance replacement costs and a property conditions survey.

**BM35 PROJECT MANAGEMENT REPORT (BM19)**

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

**BM36 UPDATE ON BOARD BUSINESS MATTERS (BM20)**

The Board noted updated information on the proposed dates of meetings in 2013/14 and the Schedule of Business for 2013/14.

**BM37 AUDIT SCOTLAND: REPORT ON FIFE COLLEGE**

 The attention of the Board was drawn to a recent report produced by Audit Scotland which identified issues arising from EU funding and meeting external reporting requirements in light of issues raised at Fife College. This had implications for other Colleges in the sector and the members were encouraged to read the report.

**BM38 ONS RECLASSIFICATION OF COLLEGES AND CHARITABLE STATUS**

The Board noted the recent guidance from the Office of the Scottish Charity Regulator (OSCR) which confirmed that ONS reclassification of the Colleges in itself would not affect their charitable status.

**BM39 LETTER OF GUIDANCE TO CHAIR OF SFC**

The Board noted a copy of the letter of guidance which had been issued by the Cabinet Secretary for Education and Lifelong Learning to the newly appointed Chair of the Scottish Funding Council.

**BM40 NEXT MEETING**

Monday 9 December 2013 at 4.00 p.m. at the Clydebank Campus.

GMcA/11.11.13