

**WEST COLLEGE SCOTLAND**

**BOARD OF MANAGEMENT**

**MONDAY 20 JANUARY 2014 at 4.00 p.m. in**

**Room 1, Abercorn Centre, Paisley Campus**

**AGENDA**

1. Apologies
2. Declaration of Interests
3. Minutes of the meeting held on 9 December 2013 Enclosed MY
4. Matters Arising from the minutes

(and not otherwise on the agenda)

 .1 BM46 Saudi Arabia Bid Proposal Oral report LC

 .2 BM49 Financial Statements for Year Ended

 31 July 2013

 Note – submitted to SFC

 .3 BM51.2 Annual Quality Report to SFC

 Note – submitted to SFC

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

1. Chief Executive’s Report Paper 1 AC
2. ONS Update Paper 2 DA
3. Students Association Constitution Paper 3 MM
4. Code of Good Governance for Scottish Colleges Paper 4 MY

Consultation

**Items for Information**

1. Guidance from SFC on New Arrangements in relation to

Changes in the Funding System in Colleges Paper 5 MY

1. Committee Reports
2. Estates Committee Paper 6 JM

Minutes of the meeting of 10 December 2013

1. Finance and Business Enterprise Committee Paper 7 GK

Minutes of the meeting of 17 December 2013

1. Project Management Report Paper 8 SR
2. Board Business Update: Schedule of Business and Paper 9 MY

Dates of Meetings

1. Report on Delegated Action Taken since last meeting

None

1. Any other business
2. Next meeting: **Monday 3 March 2014 starting at 4.00 p.m.**

in Ardgowan 1, Finnart Street, Greenock Campus.

 Gwen McArthur

Secretary to the Board

**Confidential**

**BOARD OF MANAGEMENT**

**Minutes:** 20 January 2014

**Present:** Michael Yuille (Chair), Audrey Cumberford, Gerard Kelly, Esther Denning, Mike Haggerty, Jim Hannigan, Jacqueline Henry, Andrew Hetherington, Lyndsay Lauder, Michael McAuley, Michelle McCrorie, David McDonald, Maggie McManus, John McMillan.

**Attending:** Stephanie Graham (Vice Principal Educational Leadership), Liz Connolly (Vice Principal Corporate Development), Stephanie Robertson (Project Manager), David Gunn (Director of Organisational Development & HR), Alan Ritchie (Director of Finance and Estates), Alan Cowan (Student Liaison Manager – for BM62), Gwen McArthur (Secretary to the Board).

**Apologies:** Maggie Morrison, Joyce White.

**BM55 DECLARATION OF INTERESTS**

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

**BM56 MINUTES**

The minutes of the meeting held on 9 December 2013 were approved.

**BM57 SAUDI ARABIA BID PROPOSAL (BM46; FM45)**

The Board noted that, since its last meeting, the Finance and Business Enterprise Committee had met to discuss the bid to be submitted to run a cluster of Colleges in Saudi Arabia. The Chair of the Board and the Chair of the Audit Committee had also contributed to this meeting which had considered the bid, and particularly the College’s potential exposure, in great detail. The Committee had confirmed its support of this bid and the College’s participation in the Consortium and so the bid was submitted by the deadline of 20 December 2013. It was anticipated that the Consortium would hear in early February if the bid had been successful.

 Ms Connolly, Vice Principal Corporate Development, updated the Board on progress with this bid. It was noted that some partners had withdrawn from the Consortium before the bid was submitted. The Consortium now comprised New College Lanarkshire, Fife College and West College Scotland. A Project Board, comprising the Principals of the three colleges had been established to oversee the progress of this project. It was anticipated that this would be supplemented by lay member representation from the colleges as appropriate. West College Scotland (WCS) was the operational lead for the project at present and legal advice was still being provided by Eversheds and Anderson Strathern. It was anticipated that a Project Director would be appointed should the Consortium be successful.

 In discussion it was noted that the other colleges had not continued as part of the Consortium as the timing was not right for them given all the other changes that were taking place in the colleges at present. It was also noted that WCS’s financial exposure to date had been limited (c£10k). It was acknowledged that this project was not without risk but all reasonable steps were being taken to minimise the risk to the Consortium and the individual colleges. Deloitte LLP was involved in providing advice for this project and had supported the development of the proposed business model and assisted in the preparation of a full risk analysis. The risk assessment for the project was tabled for information. If the Consortium was successful and moved to the next stage of the process then the staff involved would work closely with the legal advisers to ensure that all factors were taken into account and addressed. The Board would be kept informed of developments.

 The Board welcomed this information and **agreed** that

1. the Audit Committee be asked to consider the Project Risk Assessment tabled at the meeting; **[Action: GMcA]**
2. a report on progress be made to the next meeting. **[Action: LC]**

**BM58 FINANCIAL STATEMENTS FOR YEAR ENDED 31 JULY 2014 (BM49)**

 The Board noted that the Financial Statements for each of the previous Colleges (Clydebank, Reid Kerr and James Watt) for the year ended 31 July 2013 had been submitted to the Scottish Funding Council (SFC).

**BM59 ANNUAL QUALITY REPORT TO SFC (BM51.2)**

The Board noted that the information required for its Annual Quality Report had been submitted to the SFC.

**BM60 CHIEF EXECUTIVE’S REPORT**

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

* **West College Scotland Foundation –** the Board received the proposed Articles of Association of the West Scotland College Foundation. It was noted that these Articles had been drawn up by Anderson Strathern, legal advisers to the College, and were consistent with the guidance provided by SFC on the establishment of Foundations for Colleges. It was noted that OSCR (Office of the Scottish Charity Regulator) had reviewed these Articles and had asked for clarification on a few points; as had the College’s Audit Committee at its meeting the previous week. Additionally the College’s External Auditors had been involved in discussions and had confirmed that they were satisfied with the proposed arrangements for the Foundation. Once further information was received the Board would be asked to consider if the College should transfer funds to the Foundation. In the meantime the Board was asked to consider appointing Trustees to the Foundation, in addition to the 5 independent Trustees already appointed.

The Board **agreed** that Mr J McMillan (lay member of the Board), the Principal and Mr D Alexander (Vice Principal Operations) be nominated to be appointed as Trustees of the West College Scotland Foundation. The Board further **recommends** to the Trustees of the Foundation that Mr A Ritchie, Director of Finance and Estates, provide support to the Foundation in an advisory capacity. **[Action: AC]**

* **West Region Outcome Agreement 2014-17** – it was noted that a draft had been submitted to SFC on the understanding that the final Regional Outcome Agreement would be forwarded to SFC once approved by the Board. It was noted that this built on last year’s Outcome Agreement and set ambitious targets for the College. The College was confident that it could achieve these targets which were consistent with its aims and also the activities currently being developed with various partners. The Board welcomed this agreement and would monitor progress against the targets.

The Board **agreed** that the West Region Outcome Agreement for 2014-17 be approved and the Chair be authorised to sign this on behalf of the Board for submission to the SFC. **[Action: MY]**

* **SFC Merger Evaluation –** the Board noted that SFC would be conducting a post-merger evaluation consisting of an initial evaluation after six months following vesting and a full evaluation after two years. An external review by Education Scotland of all merged Colleges would also take place one year after merger. The Board noted the approach that SFC intended to take for these evaluations. It was anticipated that the initial SFC evaluation meeting would take place in March/April. It was also likely that the SFC Regional Manager would meet with some staff and students prior to this, probably at the end of February. The Board would be kept informed of progress.
* **Commonwealth Games Bid –** the Board was pleased to note that West College Scotland had won the contract to run the Hair and Beauty Salon at the Commonwealth Games in Glasgow this summer. The Board considered this a major achievement for the College and congratulated all the staff and students involved in this bid.
* **Sector Consultations –** the Board noted that the College had responded to two recent consultations: the Commission on Developing Scotland’s Young Workforce; and the Regional Leads Communication and International Workstream questionnaire on College International Students and Activities 2012/13. The responses were tabled for information.
* **Organisational Development and HR Update –** the Board noted an update as follows:
1. The recruitment process for the middle management tier of staff was now complete and appointments would be announced shortly.
2. Agreement had now been reached with the Unions on harmonisation of staff pay and conditions. The Board congratulated the Principal, Director of Organisational Development and HR, and others involved in reaching this agreement which was a major step forward for the College.
3. Negotiations with the Unions were still taking place regarding pay awards. The Directors of Organisational Development & HR and of Finance and Estates were currently reviewing the financial position of the College to determine what could be afforded. The Board would be kept informed of progress.
4. The Board noted an update on the position regarding voluntary severance.
* **Feedback on Collective Ambition Programme –** the Board noted the summary of feedback obtained on the Collective Ambition Programme (CAP) from the staff development day held on 19 December 2013. This information would be used to develop the CAP and inform the strategic thinking as well as the operational decision-making of the College.

**BM61 RECLASSIFICATION OF COLLEGES (ONS) UPDATE (BM16; FM38)**

The Board noted that the reclassification of Colleges (ONS) was still very much work in progress. SFC was providing regular training events and communications to assist Colleges implement the changes. The Director of Finance and Estates provided an overview of progress to date and highlighted the various issues where further information was still to be provided. Both the Audit Committee and the Finance & Business Enterprise Committee were being kept informed of developments at each of their meetings and had discussed in detail the changes required and the implications these would have for the College. It was noted that SFC had indicated that it would provide training for Board members on these changes but, to date, no decision had been taken on how or when this would be delivered. However, Board members were informed that the SFC website already contained much helpful information on this subject.

 It was noted that the Colleges were still waiting advice on a number of matters, e.g. the revised wording of the Accounting Officer statement for the Financial Statements; the deadline by which the Financial Statements had to be submitted to SFC; whether colleges would be required to self-insure; and more. The Board noted that the SFC and the Government were keen for colleges to continue to generate non-SFC income but, in the future, surplus income would have to be directed to the Foundation as the college would not be permitted to retain reserves. SFC would, however, be interested in the resource used to attain this income. It was also noted that the colleges would not be part of the public sector pay bargaining system. It was likely that a separate national pay bargaining structure would be established for the colleges.

 On behalf of the Board the Chair thanked the Director of Finance and Estates for his presentation.

**BM62 STUDENTS ASSOCIATION CONSTITUTION (BM33.1)**

The Chair welcomed Mr A Cowan, Student Liaison Manager, to the meeting. Mr Cowan had worked with the Student Representatives to finalise the Student Association Constitution 2013/14. In considering this Constitution it was noted that students under the age of 16 years could not be members of the Association but could participate in certain activities. Students under the age of 16 were still legally the responsibility of the Local Education Authority but had opted out of school and had chosen to complete their education at College. The College, therefore, had to work closely with the Local Authority when it came to such individuals.

 The Board **agreed** that the Student Association Constitution 2013/14 be approved with immediate effect. On behalf of the Board the Chair thanked the Student Representatives, Mr Cowan and others who had worked to produce this Constitution.

**BM63 CODE OF GOOD GOVERNANCE FOR SCOTTISH COLLEGES**

The Board noted that the SFC had invited the Regional Leads to convene a Steering Group to develop a draft Code of Good Governance for Scottish Colleges, a similar Code of Governance having already been produced for Universities. This Steering Group was chaired by Mr Hall, Regional Lead for Forth Valley, and had issued a consultation paper to which all Colleges and other interested parties were invited to respond. The Secretary to the Board had produced a draft response on behalf of the College which was now before the Board for consideration.

 The Board was of the view that there was already a significant amount of good practice across the Colleges and that this should be retained and built on. It was also of the view that some flexibility needed to be retained to allow Colleges to interpret the Code to best suit the culture of their own institution. The Board **agreed** that the draft response be approved and be submitted to the Steering Group for consideration.

**[Action: GMcA]**

**BM64 GUIDANCE FROM SFC ON NEW ARRANGEMENTS IN RELATION TO CHANGES IN THE FUNDING SYSTEM IN COLLEGES (BM41)**

The Board noted a letter from SFC providing Guidance on new arrangements for simplification of activity measurement and prices for the future funding of colleges. This was an update on the information the guest speaker had provided at the last meeting.

**BM65 COMMITTEE REPORTS**

The Board noted the following reports:

 **.1 Estates Committee**

The minutes of the meeting held on 10 December 2013 were noted.

**.2 Finance and Business Enterprise Committee**

The minutes of the meeting held on 17 December 2013 were noted, in particular the following:

 **Students Record Systems Purchase (FM40) –** the Committee had agreed that Capita be engaged to provide the student record system (including the UNIT-e modules and functionality).

**.3 Nominations Committee**

On the recommendation of the Nominations Committee the Board **agreed** that Mr T Lanagan be co-opted to membership of the Learning, Teaching and Quality Committee with immediate effect.

**[Action: GMcA]**

**BM66 PROJECT MANAGEMENT REPORT (BM52)**

 The Board noted the report from the Project Manager on progress with the integration activities of the College. The Board was aware of the significant amount of work that each of the separate projects and work streams represented. Staff were undertaking these activities as well as continuing with business as usual. On behalf of the Board the Chair commended Ms Robertson, Project Manager, and her team on their efforts.

**BM67 UPDATE ON BOARD BUSINESS MATTERS (BM53)**

 The Board noted updated information on the proposed dates of meetings in 2013/14 and the Schedule of Business for 2013/14. In light of the earlier discussion regarding the establishment of the Foundation (see BM60 above), it was **agreed** that

1. A Special Meeting be held on Thursday 27 March 2014 at 4.00 p.m. to consider the transfer of funds to the West College Scotland Foundation;
2. The meeting scheduled for Monday 14 April 2014 be cancelled.

**BM68 NEXT MEETING**

Monday 3 March 2014 at 4.00 p.m at the Greenock Campus.

GMcA/30.01.14