

**WEST COLLEGE SCOTLAND**

**BOARD OF MANAGEMENT**

**MONDAY 22 SEPTEMBER 2014 at 4.00 p.m. in**

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

**AGENDA**

**General Business**

1. Apologies
2. Declaration of Interests
3. Minutes of the meeting held on 23 June 2014 Enclosed KM

.1 Actions from the minutes Enclosed KM

1. Matters Arising from the minutes

(and not otherwise on the agenda)

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

1. Chief Executive’s Report Paper 1 AC

.1 Report on West College Scotland’s Response to

 Education Scotland Review of James Watt College 2013 Paper 2 SG

1. Chair’s Report Paper 3 KM
2. Financial Statements

.1 Financial Statements for the period 1 August 2013

to 31 March 2014 Paper 4 AC

.2 Report from External Auditor Paper 5

.3 Annual Report from Audit Committee Paper 6 MMcA

.4 Annual Report from Internal Auditor Paper 7

1. Evaluation of Board and Committees Paper 8 GMcA
2. Appointment of Board Members Paper 9 KM

**Committee Reports**

1. Joint Audit and Finance and Business Enterprise Committee Paper 10 MMcA

Minutes of the meeting of 9 September 2014

1. Finance and Business Enterprise Committee Paper 11 GK

Minutes of the meeting of 9 September 2014

1. Remuneration Committee Paper 12 KM

Report from meeting of 18 August 2014

**Items for Information**

1. Board Business: Membership, Dates of meetings and

Schedule of Business 2014/15 Paper 13 GMcA

1. College Policy relating to the Bribery Act Paper 14 AR
2. Report on Delegated Action Taken since last meeting

None

1. Any other business
2. Next meeting: Monday 27 October 2014 at 4.00 p.m. at the Greenock Campus

 Gwen McArthur

Secretary to the Board

**Confidential**

**BOARD OF MANAGEMENT**

**Minutes:** 22 September 2014

**Present:** Keith McKellar (Chair), Audrey Cumberford, Jim Hannigan, Jacqueline Henry, Andrew Hetherington, Johnpaul Johnston, Gerard Kelly, Lyndsay Lauder, Michael McAuley, John McMillan, Joyce White

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

**Apologies:** Lee Campbell, Mike Haggerty, David McDonald, Maggie McManus.

**BM118 DECLARATION OF INTERESTS**

John McMillan and Audrey Cumberford declared an interest as Trustees of the West College Scotland Foundation.

**BM119 MINUTES**

The minutes of the meeting held on 23 June 2014 were approved.

**BM120 ACTIONS FROM THE MINUTES**

The Board noted the actions taken since the last meeting.

**BM121 CHIEF EXECUTIVE’S REPORT (BM105)**

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

* **Year 1 and Beyond –** the Principal tabledcopies of a recent publication produced within the College: West College Scotland, ‘Our First Year’ Annual Report. The Principal also provided the Board with an overview of the key achievements during year one. This included not only the merger of the three legacy colleges, but also the merger of the structures, systems, staff and culture; all of which had to be achieved at the same time as keeping the business running and establishing the new college in the minds of current and future students, stakeholders and the general public. A new structure had been developed and was now fully operational across the three main areas of the College: Operations; Educational Leadership; and Corporate Development. In discussion it was **agreed** that the structure charts for the College be circulated to Board members. **[Action: AC]**

The Principal was pleased to confirm that the College had maintained its regional spread and was currently delivering in 47 different areas across the Region. It had merged its 3 previous student record systems into one for the whole College; an integrated payroll would be launched in November; and work was underway on developing management competencies of the staff. In the finance area there were still significant challenges due to the changing external reporting requirements; and a College estates strategy was currently under development.

Ms Connolly, Vice Principal Corporate Development, outlined the achievements made in her area in 2013/14, which included establishing the structure for her area. The priorities for the coming year included building the commercial model for the College; growing international activity; and continuing to build the College’s brand and reputation.

Ms Graham, Vice Principal Educational Leadership, informed the Board that the revised Faculties and departmental structure was now in place with leaders in place at each level of the new structure. The main priorities for the coming year included the sharing of practice across the College; improving student attainment and retention; revising the curriculum to ensure it was in line with the needs of business and employers; improving quality; and using stakeholder and student feedback more positively to identify the improvements that needed to be made.

The Board thanked the Principal and Vice Principals for their brief update and for the achievements to date. It was noted that there were still a number of issues to be addressed. The Executive and the Senior Management Team would be responsible for ensuring progress was made and for keeping the Board informed of progress. Many of these matters would be discussed at the corporate planning strategy workshop – see below.

* **Ministerial Guidance** – the Board received a copy of the Ministerial Letter of Guidance to the Scottish Funding Council for 2015-16.

* **New Funding Methodology –** an update on the new funding methodology for colleges had been published by SFC recently. This new methodology was being piloted in three colleges and the outcomes of these pilots would be made available to the Principals and senior staff in early October.

* **Financial Year End –** the SFC had written to the Colleges to inform them of a change in the accounting year end, which would move to 31 July.
* **Job Evaluation** – the Board noted that a job evaluation and salary modelling project involving support staff would shortly be underway within the College.
* **Pay Claim** – it was noted that pay claims had been submitted by the relevant Trade Unions for 2014/15. The Principal informed the Board that, due to a range of financial uncertainties, the Management of the College were not in a position to make a formal offer to the Trade Unions at this point. Once further financial information was available then the pay claims could be considered further. However, this might not be until December at earliest. The Principal had already written to EIS to tell them of this, and would shortly write to the other Trade Unions to inform them.

* **Regional Outcome Agreement and Corporate Planning (BM106) –** it was noted that the College had to submit its first draft Regional Outcome Agreement 2015/16 to SFC by 31 December 2014. At its last meeting in June the Board had agreed that it wished to develop a Corporate Plan for the College which would complement the Regional Outcome Agreement. The Corporate Plan would revisit the College’s vision and priorities to ensure that they were still appropriate and would set targets and objectives for 2015 and beyond, as well as identifying appropriate key performance indicators to measure success. It was the intention that a corporate planning strategy workshop for the Board and the Senior Management Team be held before the end of October. In discussion it was considered that this strategy workshop should include a review of the Board and its structure, to ensure that this matched in with the priorities and would help the College achieve these. It would also be helpful to consider the Ministerial Letter of Guidance issued to SFC and how the College contributed to these. Further information would be provided to Board members in due course.  **[Action: AC; GMcA]**

**BM122 EDUCATION SCOTLAND REVIEW OF JAMES WATT COLLEGE 2013 (BM51.2)**

At its meeting on 9 December 2013 the Board had considered information from the Learning, Teaching and Quality Committee on the Education Scotland Review of James Watt College that had been conducted in 2013. In light of the issues raised within this report an Action Plan had been drawn up and the Learning, Teaching and Quality Committee had considered this Action Plan at its meeting in November 2013, along with an update on progress made in addressing the issues raised. The Scottish Funding Council (SFC) now sought a follow-up response from the College relating to this review.

 The Vice Principal Educational Leadership presented the proposed response from the College. This had to be taken in the context that the Education Scotland Review referred to the whole of James Watt College. Since then James Watt had been split and part had merged with West College Scotland and the other part with Ayrshire College. This College could only comment on progress made with the part that had merged with West College Scotland.

 The Board was pleased to note the progress made with the issues raised by the Education Scotland Review and **agreed** that the College’s response be approved as presented and be forwarded to the SFC. **[Action: SG]**

**BM123 CHAIRS REPORT**

The Board noted a report from the Chair which provided a brief update on a range of matters affecting the College as well as feedback from the various meetings the Chair had attended. The Chair informed the Board that there was a significant amount of activity underway at present. One matter, in particular, was the work of the Employer Relations and Workforce Development Committee. It had a number of committees reporting into it, including the National Joint Negotiating Committee – College Staff, which had within its remit the requirement to investigate the possibility of establishing national pay bargaining for college staff. There were a number of challenges emerging from this, not least of which was the range of salaries being paid across the colleges in Scotland and how much it might take to achieve parity. It was noted that, currently no timetable had been set for this process as it could take some time to reach an agreed position. The Board would be kept informed of developments.

**BM124 FINANCIAL STATEMENTS**

The Board received the following information: the Annual Report and Letter of Representation from the External Auditor; the Annual Report from the Audit Committee; the Annual Report from the Internal Auditor; the report from the Joint Meeting of the Audit and the Finance & Business Enterprise Committees; and the Financial Statements for the College for the period 1 August 2013 to 31 March 2014.

**.1 Report from External Auditor**

The Board was pleased to note that the External Auditors, Wylie & Bisset LLP, had been satisfied with the outcomes of their audit and would be issuing an unqualified audit report for the College. Indeed the External Auditors had confirmed that they were impressed by the quality of information coming forward from the College, particularly after only an 8 month period and during a period of significant change within the College. The Joint Meeting of the Audit and Finance & Business Enterprise Committees, held on 9 September 2014, had also been impressed by the quality of the information coming forward and had been pleased with the External Audit Report.

 On the recommendation of the Joint Meeting of the Audit and Finance & Business Enterprise Committees, the Board

 **RESOLVED** that the External Auditors Annual Report be approved and the Chair and the Principal be authorised to sign the Letter of Representation on behalf of the Board, subject to any final amendments required (see below).  **[Action: KM; AC]**

**.2 Annual Report from Audit Committee**

The Board noted and **approved** the Annual Report from the Audit Committee.

**.3 Annual Report from Internal Auditor**

 The Board was pleased to note that the Internal Auditor, Deloitte LLP, had confirmed that the College had an adequate framework of control over the systems they had examined. The Board **approved** the Annual Report from the Internal Auditor.

**.4 Financial Statements**

The Board received the Financial Statements for the College for the period 1 August 2013 to 31 March 2014. These showed that the College had achieved a surplus of £12k, including the FRS17 movement. The Board was aware that this had been a very challenging period due to the merger of the three previous legacy colleges and the bringing together of three different systems, the restructuring of staff across the College and the significant amount of change being placed on all colleges in relation to financial matters due to the reclassification of colleges and the move to Office of National Statistics (ONS) reporting.

 In discussion of the Financial Statements the Board was aware that the figures provided for the wSUM’s (weighted Student Unit of Measurement) were best estimates at this stage. Normally this calculation would be conducted in early October. However, due to the change in reporting deadlines this information had to be captured earlier in the year and so a position had been reached in time for the Joint Meeting of the Audit and Finance & Business Enterprise Committees. The External Auditors were currently auditing the wSUM’s figures and it was noted that the actual figure achieved might be less than that previously estimated. The External Auditors had confirmed that they did not expect the final figure to be a material change. It did mean, however, that they might have to ask for a statement to be added to their report to account for this, and that a minor adjustment to the Letter of Representation might have to be made as well as to the Financial Statements. SFC was aware that this was a problem across the Regional Colleges and so had given the colleges an additional 10 days, i.e. to 10 October 2014, to finalise the Financial Statements and accompanying documentation.

 The Board was disappointed that final figures for the wSUMs had not been available by now, but was aware of the reasons for this. The Chairs of the Audit Committee and the Finance & Business Enterprise Committee confirmed that they had been aware of this issue at the joint meeting on 9 September and had taken their decisions in light of this.

The Board **agreed** that a further report on the final wSUMs position be made to the Audit Committee at its meeting on 9 October 2014. **[Action: AR]**

In light of the above information, and on the recommendation of the Joint Meeting of the Audit and Finance & Business Enterprise Committees, the Board

**RESOLVED** that

1. The wSUMs figures be finalised and any adjustment necessary in light of this be made to the External Auditors Report, the Letter of Representation and the Financial Statements;
2. The Chair and the Principal be authorised to sign the above documents on behalf of the Board once the information was finalised.

 **[Action: KM; AC]**

On behalf of the Board the Chair thanked all those involved in achieving such a good outcome and particularly thanked the Director of Finance and Estates and his team for achieving this during a period of significant challenge.

**BM125 BOARD AND COMMITTEE EVALUATION (BM110)**

The Board noted a report on the feedback obtained from the recent survey of its members on the evaluation of the Board and its committees. The Board was pleased to note that the feedback was mainly positive, with some matters highlighted for further action. One of the main points emerging was the need to review the remit of the Finance and Business Enterprise Committee. The report from that committee was already on the agenda for consideration – see BM127.2 below. It was considered that this had been a useful exercise to conduct at this stage and had confirmed that the Board and its committees were operating well.

**BM126 APPOINTMENT OF BOARD MEMBERS (BM108.3)**

The Board noted progress made to date with the appointment of Board members. It also noted the College Sector Board Appointments: 2014 Ministerial Guidance, which had been issued recently following the consultation exercise conducted earlier in the year.

 **.1 Support staff**

The Board was pleased to note that 7 nominations had been received for appointment as the Support staff member on the Board, although one nominee had subsequently withdrawn. An election was being arranged with the count being held on Wednesday 8 October 2014. It was **agreed** that Mr J McMillan, Board member, be appointed as the Independent person to monitor the outcomes when the election information was being retrieved from the electronic voting system. The outcome of the election would be reported to the Board. **[Action: GMcA]**

 **.2 Non-Executive Members of the Board**

At its last meeting the Board had approved the process and the schedule for the appointment of non-executive Board members. The timetable for the process had been updated since the last meeting, with the key dates for each stage of the process being highlighted, and with the aim of completing the recruitment and approval process before the end of the calendar year so that appointments could be made early in 2015. The membership of the Selection Panel had been proposed for consideration and approval.

 In discussion the Board indicated that it was satisfied with the proposed process and timetable. However, it was noted that, as a number of existing Board members may be seeking re-appointment, it would not be appropriate for the Board to make recommendations concerning the new membership. Accordingly the Board’s preference was for the Selection Panel to be responsible not only for identifying the candidates to be appointed to the Board, but also for making these recommendations to the Scottish Ministers. This would require the provisions of paragraph 4.1.3(d) of the College’s Constitution to be set aside to allow the Board to delegate authority to the Selection Panel for this exercise. The Board was clear that this was the way that it wished to proceed for this time only. The Board, therefore,

 **RESOLVED** that the provisions of paragraph 4.1.3(d) of the College’s Constitution be set aside for this time only, and that authority be delegated to the Selection Panel not only to identify the potential non-executive Board members, but also to make the recommendations to the Scottish Ministers for approval and appointment to membership of the Board without further recourse to the Board but with the approval of the Chair of the Board.

 In light of the above discussion and decision the Board

 **RESOLVED** that

1. the process for the appointment of non-executive Board members be approved as presented;
2. the timetable for the process be approved;
3. a Selection Panel be established with the membership and remit as set out in Annex 1 and with the authority to make the recommendations to the Scottish Ministers for approval without further recourse to the Board. **[Action: GMcA]**

**BM127 COMMITTEE REPORTS**

The Board noted the following reports:

 **.1 Joint meeting of Audit and Finance and Business Enterprise Committees**

The Board noted the report from the Joint meeting held on 9 September 2014. The recommendations emerging from this report had been approved – see BM124 above.

 The Board also noted that the Joint meeting had received a letter from the SFC indicating that the accounting year end would be moved back to 31 July with effect from next year. A number of matters had still to be clarified and the Board would be kept informed of developments. **[Action: DA; AR]**

 **.2 Finance and Business Enterprise Committee**

The minutes of the meeting held on 9 September 2014 were noted, particularly the following:

 **FM101 Business and Enterprise Update –** the Chair of the Finance and Business Enterprise Committee drew the Board’s attention to the report the Committee had received on the success of the business enterprise activities in the academic year 2013/14. The Board was pleased to note that the College had exceeded the targets set, and that this had been achieved at a time of great change within the College. In setting the target for the coming year, the College had proposed that this remain at the same level as for 2013/14. In considering this the Committee had been of the view that the College should be more ambitious. However, the Board was aware that there had been some exceptional items last year that would not be available again this year. The Committee had indicated that it would revisit this matter at its next meeting and would report to the Board. **[Action: FBE Committee]**

 **FM109 Committee Remit, Composition and Membership 2014/15 –** in light of the feedback obtained from the members the Committee considered that it needed to review its scope and remit. During the previous session the committee’s business had been dominated by finance matters and very little time had been available for discussion of business enterprise activities.

On the recommendation of the Finance and Business Enterprise Committee the Board **agreed** that further consideration be given to the scope and remit of the Finance and Business Enterprise Committee with a view to separating out the financial elements from the business development activities. Further proposals would be brought to a future meeting for consideration and agreement. **[Action: FBE Committee]**

 **FM114 Financial Regulations –** the Committee had considered revised Financial Regulations for the College which had been updated in the light of guidance issued by SFC. However, subsequent to the meeting SFC had issued further guidance which would mean a further adjustment needed to be made to the Financial Regulations in relation to delegated financial limits.

The Board **agreed** that the revised Financial Regulations for the College be approved as presented as an interim measure until the further amendments required by the latest guidance issued by SFC could be made and considered by the Committee and the Board. **[Action: AR]**

**.3 Remuneration Committee**

The report from the meeting held on 18 August 2014 was noted.

 On the recommendation of the Remuneration Committee the Board

 **RESOLVED** that the remit of the Committee be amended as presented.

**BM128 BOARD BUSINESS: MEMBERSHIP, DATES OF MEETINGS AND DRAFT SCHEDULE OF BUSINESS 2014/15**

The Board noted its current membership, dates of meetings and draft Schedule of Business for 2014/15. This would be updated throughout the coming session.

**BM129 COLLEGE POLICY RELATING TO THE BRIBERY ACT (BM108.1)**

 The Board noted the Anti-Bribery and Corruption Policy that the College currently had in place. This had been developed in response to the Bribery Act 2010.

**BM130 NEXT MEETING**

Monday 27 October 2014 at 4.00 p.m. at the Greenock Campus.

GMcA/8.10.14/Final

**Annex 1**

**SELECTION PANEL FOR THE APPOINTMENT OF NON-EXECUTIVE BOARD MEMBERS (BM126.2)**

**Membership**

Keith McKellar, Chair;

Gordon Hunt, Head of External Engagement, University of the West of Scotland (Independent Member);

Gwen McArthur, Secretary to the Board.

**Remit**

The Selection Panel will be responsible for

* considering the applications received and identifying those to be invited to interview;
* conducting the interviews;
* identifying those applicants to be recommended for appointment to the Board;
* recommending the appointment of the successful candidates to the Scottish Ministers for approval.

Approved by the Board of Management (BM126.2)

22 September 2014