

**WEST COLLEGE SCOTLAND**

**BOARD OF MANAGEMENT**

**MONDAY 23 MARCH 2015 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 2 February 2015 Enclosed KM

.1 Actions from the minutes Enclosed KM

1. Matters Arising from the minutes

(and not otherwise on the agenda)

.1 Delegated Financial Limits Oral report DA

.2 BM159.6 Standing Orders Paper 4.2 GM

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

1. Chief Executive’s Report Paper 5 AC

.1 Education Scotland Review: Update Oral report SG

.2 Regional Outcome Agreement Paper 5.2 AC

1. Chair’s Report Paper 6 KM
2. Transfer to West College Scotland Foundation Oral Report DA

**Committee Reports**

1. Organisational Development and HR Committee

Minutes of meeting of 11 February 2015 Paper 8 MM

1. Finance and General Purposes Committee

Minutes of meeting of 20 February 2015 Paper 9 JW

1. Learning, Teaching and Quality Committee Paper 10 JH

Minutes of meeting of 25 February 2015

1. Audit Committee Paper 11 JM

Minutes of the meeting of 26 February 2015

1. Estates Committee Paper 12 JM
Minutes of meeting of 3 March 2015
2. Corporate Development Committee Oral Report MN

Report from meeting held on 18 March 2015

**Items for Information**

1. Board of Management: Membership, Dates of Meetings and Paper 14 GM

Schedule of Business 2014/15

1. Report on Delegated Action Taken since last meeting

None

1. Any other business
2. Next meeting: Monday 22 June 2015 at 4.00 p.m. at the Clydebank Campus

 Gwen McArthur

Secretary to the Board

**Confidential**

**BOARD OF MANAGEMENT**

**Minutes:** 23 March 2015

**Present:** Keith McKellar (Chair), Audrey Cumberford, Nick Allan, Jacqueline Henry, Andrew Hetherington, Jenifer Johnston, Johnpaul Johnston, Maggie McManus, John McMillan, Alison Mitchell, Mark Newlands, Karen Walker, Joyce White.

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

**Apologies:** Lee Campbell, Mike Haggerty, Jim Hannigan, Lyndsay Lauder, David McDonald.

**BM169 WELCOME**

The Chair welcomed the new members, Jenifer Johnston and Karen Walker, to their first meeting of the Board.

 He also notified the Board that David McDonald had been unwell and the Board wished him a speedy recovery.

**BM170 DECLARATION OF INTERESTS**

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

**BM171 MINUTES**

The minutes of the meeting held on 2 February 2015 were approved.

**BM172 ACTIONS FROM THE MINUTES**

The Board noted the actions taken since the last meeting.

 **.1 Delegated Financial Limits (BM159.1)**

At the last meeting the Board had indicated that, in light of all the changes, it would be helpful if further information on delegated financial limits could be provided. This had been discussed at the meeting of the Finance and General Purposes Committee where it had been agreed that the updated College Financial Regulations and a summary of the delegated financial limits be provided to its next meeting and forwarded to the Board in time for the June meeting. The Board noted this information. **[Action: DA; AR]**

 **.2 Pay Award 2014/15 (BM162)**

The Board noted that UNISON had balloted its members and now agreed to accept the salary award on offer for 2014/15. Given that the other unions involved had accepted the offer, this meant that Support Staff would now receive an award similar to that recently accepted by the Teaching Staff and reported to the last meeting. The Board welcomed this information.

 **.3 Internationalisation (BM135)**

It had been reported previously that Colleges Scotland’s International Advisory Group would be considering developing a policy around internationalisation of the College sector. It was noted that the Corporate Development Committee would be responsible for considering this matter in the first instance and reporting to the Board when appropriate.

**BM173 STANDING ORDERS (BM159)**

At its last meeting the Board had considered draft Standing Orders for the regulation of its meetings and proceedings. In discussion some further refinements had been proposed. The Board now considered the revised Standing Orders. The Board **agreed** that the revised Standing Orders be approved as presented.

**BM174 CHIEF EXECUTIVE’S REPORT (BM162)**

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

* **Regional Outcome Agreement (BM149) –** the Principal informed the Board that SFC had now approved the Regional Outcome Agreement (ROA). There would be a formal publication launch of the Regional Outcome Agreements for both the College and University sectors on 22 April 2015 at Heriot-Watt University. West College Scotland had been asked to present at this on the College activity in relation to Developing Scotland’s young Workforce. The Board welcomed this information.

The Board **agreed** that each of the Board Committees should conduct progress reporting and monitoring of the aspects of the Regional Outcome Agreement that related to their responsibilities throughout session 2015/16, with a final report to the Board in June 2016. **[Action: DA; LC; SG]**

* **Education Scotland Review –** the Principal informed the Board that the Education Scotland Review had taken place earlier in the month and initial feedback on the outcomes had been provided to the College. The Review Team had indicated that they were impressed by what they had found, particularly in relation to the progress made since the merger. However, the reviewers had a particular framework to report against, which restricted what and how they could report and were primarily concerned with education and learning provision. Some areas had been identified as needing improvement, but these were known to the College and staff had been working towards addressing these. In light of the initial feedback provided the College had submitted further information so that the Review Team had all the necessary information it needed before it issued its final outcome report. However, it was difficult to predict what the final outcome might be.

In discussion the Board was aware that the staff had worked hard to ensure that the foundations were right for delivering the education and learning provision that the College wished to have in place and to build on for the future. This included the provision of high quality learning, improved learner engagement and a quality culture. Significant changes had been made to the staffing structures, to the systems and processes in place and a full curriculum review had been undertaken since the merger. A range of partnerships were now in place with employers, communities and other stakeholders and more were being developed. Student feedback was positive, and was being taken into account to inform developments, and the level of student attainment was improving. The Board would be disappointed if the Review Team had not recognised the significant amount of good work that had already taken place and the direction of travel the College was working towards. The Board would be informed of the outcome once it was known.

[**Secretary’s Note**: subsequent to the meeting the College was notified that the outcome of the Education Scotland Review was ‘Effective’, the highest grading available.]

* **Commission on Poverty in Renfrewshire –** it was noted that the Renfrewshire Poverty Commission had now produced its final report which included recommendations on how to tackle poverty. The College would be involved as one of the partners in taking steps to address deprivation in the local area. It was noted that Renfrewshire Council had recently approved this report and allocated funding to take forward the recommendations.
* **Digital Champions Development Programme –** the Principal was pleased to report that George Johnson, Director of Technology and Innovation, had been selected for a development programme for Digital Champions. The aim of the programme was to inspire leaders about the transformational potential of digital tools and technology. The individuals taking part in the programme would be expected to act as advocates for digital transformationacross the Scottish public sector, to take innovative digital concepts into their own organisation to effect change, and to drive substantial intra- and cross- organisational change. The Board welcomed this news and congratulated Mr Johnson.
* **Post-Study Working Group –** the Post Study Work Working Group had now produced its report to the Scottish Ministers. The main outcome of this report was that it recommended the re-introduction of visas for international students studying in Scotland so that they could remain and work in Scotland after graduating. Copies of this Report were tabled for Board members.

**BM175 CHAIR’S 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. In particular the Board noted the following:

* **National Bargaining (BM163) –** at its last meeting the Board had been informed that a Recognition and Procedure Agreement (RPA) had been agreed at the National Joint Negotiating Committee – College Staff (NJNC-CS). A meeting of Chairs and Principals had been held at Colleges Scotland recently to discuss this matter. The view emerging from this meeting was that more information needed to be provided to the Colleges so that they fully understood the significance of the move from local to national bargaining. It was known that there would be no additional funding provided to support the changes required. Further information would be brought to the Board once available. **[Action: KM]**

**BM176 COLLEGE FUNDING: CURRENT POSITION AND FUTURE PROVISIONS (BM162)**

**.1 Background**

The reclassification of the colleges, which took effect on 1 April 2014, meant that the colleges were now part of the Scottish Government budget and subject to revised reporting requirements. Colleges now had to provide resource returns on a fiscal year basis, i.e. as at 31 March, and financial year end returns, as at 31 July. Previously if the College had broken even it also generated cash – as the accounts contained non-cash transactions, with the main one being net depreciation – which could then be retained and used to meet business requirements, such as loan repayments, student funding requirements and other priorities. However, the Scottish Funding Council (SFC) had now advised the sector that permission would be required to retain and apply such cash balances.

At its last meeting the Board had discussed the emerging gap in student support funding and the response from SFC that Colleges would need to meet this gap by redistributing its own funds, namely net depreciation funding. In 2014/15 West College Scotland (WCS) had a cash amount of £1.703M arising from net depreciation. However, £1.471M of this was required to meet repayment of loan debt capital, leaving £232k. On 5 March 2015 SFC advised that £67k of this could be applied to meet student support funding need. On 13 March 2015 SFC advised the College that the remaining £165k of this funding was being retained by them subject to further discussion with the Scottish Government. Colleges Scotland had just (immediately prior to the meeting) contacted the colleges to inform them that the monies being withheld would be released, but SFC had still to confirm that this was the case. Also it was not known what restrictions would be placed on how this funding could be spent. It was noted that, if this funding of £165k was returned to the College it had to be spent (or at least committed) by 31 March 2015.

**.2 Discussion**

In discussion the Board raised a number of points, not least of which were the governance issues raised by this situation. The main points emerging were:

* it was queried how the Board could be responsible for the financial management and sustainability of the College if other organisations could withhold funding or direct the Board on how such funding could be used;
* it was not known if this was a one-off matter that would be resolved quickly, or if this situation was likely to arise again next year;
* the lack of clarity over certain matters that had been raised with the SFC meant that the Board could not conduct any long term planning until further information was forthcoming;
* the need to gain an understanding from SFC of any audit engagement process which the College would require to comply with in relation to the Scottish Government resource year, which ended on 31 March 2015;
* if some of the funds that had been withheld were to have been used to support others in the sector it was queried how this would be funded in the future if the funds were no longer to be used for this purpose;
* this raised issues about overall levels of cash available to be applied within the sector being reduced, cash potentially being redistributed within the sector and cash previously available to colleges being used to meet other funding requirements;
* there was a need to understand the sustainability of the approach SFC had put in place for 2015/16 and beyond, and in particular how this would enable WCS to meet required levels of funding to support students and to generate and retain required levels of cash to support business operations. With this, there was also a need to quantify any funding shortfalls across the sector for 2015/16 arising from this changed approach;
* SFC had just agreed the Regional Outcome Agreement with the College which was predicated on a certain level of activity that required to be funded and supported. If the College no longer had the level of funding this was based on, then the Regional Outcome Agreement would have to be revisited, or funds taken from other areas;
* the College was being encouraged to invest in Young People, but it was queried how it could do this if the overall funding available to the College was being reduced.

By being asked to apply cash arising from net depreciation in this way it was possible the College might be in a future position of posting an accounting deficit and presenting a deficit budget to the Board for approval. SFC had indicated that, if this deficit was due solely to the use of depreciation funds in meeting the student support funding gap, then this would not be an issue as far as they were concerned. However, this did not help the College address the underlying issue in how to address the emerging funding gap between its income and its current expenditure levels. Also the Board was concerned at the prospect of having to approve a deficit budget and queried if SFC would provide a written assurance to the Board to allow it to take this action. It was noted that the Vice Principal Operations had already contacted SFC and requested a meeting with them to discuss the financial position of the College and to seek clarity on a number of matters. Once he had more information he could inform the Board. It was also noted that an emergency meeting of Chairs and Principals had been called for the following day to discuss a number of matters affecting the sector. Further information would, therefore, be forthcoming over the next few days and weeks which should help address these matters.

**.3 Next Steps**

In light of the above discussion it was considered that the Board needed to raise its concerns with SFC in the first instance. Colleges Scotland also needed to be made aware of these concerns and should be encouraged to represent the interests of the sector in these matters. If no satisfactory solutions could be found then these matters would have to be raised with the Cabinet Secretary. It was acknowledged that some of the issues raised might be resolved soon and so the timing of the actions to be taken needed careful consideration. The Board **agreed** the following action:

1. The Chair should write to SFC in the first instance to make them aware of the Board’s concerns, particularly in relation to the governance issues raised;
2. Colleges Scotland should be asked to determine the sector position on this and represent the best interests of the sector on such matters;
3. If there is no satisfactory response from either SFC or Colleges Scotland then these matters should be raised with the Cabinet Secretary;
4. The exact timing of the issue of the letter referred to at (i) above to be determined by the Chair in consultation with the Principal and Vice Principal Operations;
5. The Board to be kept informed of developments. **[Action: KM; AC; DA]**

**BM177 TRANSFER TO WEST COLLEGE SCOTLAND FOUNDATION**

In light of the above discussion the Board considered it unlikely that it would be able to transfer any funding to the Foundation before the end of March. Once further information was received regarding the funding available to the College then this could be reviewed. The Board

**RESOLVED** that, should there be sufficient funding available to make a transfer to the Foundation, then the Chair of the Board and the Chair of the Finance and General Purposes Committee be delegated authority to act on behalf of the Board. **[Action: KM; JW]**

**BM178 COMMITTEE REPORTS**

The Board noted the following reports:

 **.1 Organisational Development and HR Committee**

The minutes of the meeting held on 11 February 2015 were noted and in particular the following:

1. **HR Annual Report (OM38) –** the Board noted the HR Annual Report which provided information on key HR data, equality and diversity, and health and safety matters. It was noted that the legacy colleges had collected this data differently and so comparisons with earlier years could not be made. However, new systems were being developed to capture the data in a consistent format which would allow the Committee to monitor performance data and identify any trends emerging. It was noted that the data provided indicated that while permanent staff numbers had fallen, the number of temporary staff had increased. This was due to the impact of the voluntary severance scheme and was being addressed within the College.
2. **HR Strategy Working Group (OM39) –** it was noted that the Committee was keen that the Board should have the opportunity to discuss what kind of organisation the College wanted to be and what competencies and behaviours it sought in its staff. This would tie in with the development of the Corporate Plan. It was **agreed** that this matter be discussed at the next Board meeting in June if there was sufficient time available. **[Action: AC; DG; GMcA]**
3. **Zurich Health and Safety Review (OM40) –** it was noted that, following a recent review of health and safety structures and processes in the College, that some training might be required for Board members. Once the final report was available then the training needs of the Board would be clarified and the timing of this confirmed to the Board.

**[Action: DG; GMcA]**

 **.2 Finance and General Purposes Committee**

The minutes of the meeting held on 20 February 2015 were noted, and in particular the following:

1. **Clydesdale Bank Covenant Amendments (FPM9) –** following a review of the Bank Covenant arrangements the College had in place and in light of discussions with the Clydesdale Bank, it had been decided that the existing covenant arrangements in relation to two loans provided to the College needed to be amended so that one covenant would cover both loans. The Board noted that the Bank had been made aware of the current financial position of the College (see BM176 above) and had confirmed that they were satisfied with the arrangements in place which should have no material impact on the proposed covenant arrangements. In light of this, and on the recommendation of the Finance and General Purposes Committee, the Board

**RESOLVED** that the revised Covenant letter with the Clydesdale Bank be approved and the Chair and the Principal be authorised to sign this on behalf of the Board. **[Action: KM; AC]**

1. **Revised Financial Memorandum with SFC (FPM5) –** the Board noted the revised Financial Memorandum with the SFC. The Committee had discussed this matter and was aware that there were still a number of matters that required clarification from the SFC. It was hoped that this information would be provided shortly which would then allow the College Financial Regulations to be updated and brought forward for approval along with a summary of the delegated financial limits (see BM172.1 above).

1. **Catering and Cleaning Services (FPM14) –** following a review of the provision of Catering and Cleaning Services within the College, which involved an external adviser, the Committee had agreed that these services should be brought in-house with effect from 1 August 2015. It was considered that this would ensure greater consistency of the services provided, protect the pay and conditions of the staff concerned and, in relation to catering, might provide skills development opportunities for students. The Board welcomed this decision.

 The Chair of the Finance and General Purposes Committee informed the Board that the Committee had met again on 17 March 2015, but the minutes were not yet available. At this meeting the Committee had discussed the latest financial position of the College and had provided input to the earlier discussion – see BM176 above.

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

The minutes of the meeting held on 25 February 2015 were noted, and in particular the Vice Chair of the Committee wished to draw to the attention of the Board the excellent work that was taking place across the College. The range of activities, initiatives and partnership projects that the College was involved in, and the improvements made in gathering feedback from students which was then used to make further improvements to the curriculum and related activities, were of particular note. A curriculum planning and review exercise had recently been completed within the College which had identified the key strengths in each curriculum area as well as areas for improvement. This information had been provided to the Education Scotland Review Team and it was hoped that the outcome of their review would recognise the improvements that had already been made and the range of work and initiatives underway.

 The Senior Vice President of the Students Association confirmed to the Board that the feedback obtained from the students was being used to identify areas for improvements and the action required to achieve these. The students and staff were working well together and this was being recognised. However, the Students Association had been later than expected in establishing their teams which meant that their visibility and impact across the College had not been as high as had been initially hoped. Steps were being taken to address this for the future.

 The Board welcomed this report.

 **.4 Audit Committee**

The minutes of the meeting held on 26 February 2015 were noted, and in particular the following:

1. **Appointment of Internal Auditors (AM108) –** the appointment ofthe current Internal Auditors was due to end on 31 March 2015 and so the Audit Committee had approved the process to be followed for the tender and appointment of Internal Auditors. This process had been followed and, on the recommendation of the Audit Committee, the Board

**RESOLVED** that Scott Moncrieff be appointed Internal Auditors to the College with effect from 1 April 2015 for an initial period of three years and four months (i.e. to 31 July 2018), with an option to extend the contract for a further two years thereafter, subject to satisfactory performance.

1. **Internal Audit Reports (AM104) –** the Board welcomed thepositive findings of the work of the Internal Auditors and that the actions and improvements identified were incorporated into the Rolling Audit Action plan which the Committee reviewed at each meeting to ensure that they were being addressed.
2. **Strategic Risk Register Review (AM102.2) –** the Board noted that the Strategic Risk Register was currently being reviewed and developed. It was hoped that an updated Risk Register could be brought to the next meeting of the Board for consideration. **[Action: DA; AR]**

 **.5 Estates Committee**

The minutes of the meeting held on 3 March 2015 were noted, and in particular the following matters:

1. **Major Project Update (Finnart Street) (EM80.2) -** the Board was pleased to note the progress with the major works undertaken at Finnart Street, and that this project would be finalised soon.
2. **Statement of Strategic Intent: Emerging Opportunities (EM82) –** it was noted that discussions were taking place with various partners that would help the College identify the best solution to develop its estates portfolio.
3. **Estates Strategy Development: Update (EM83) –** it was noted that a range of information was being gathered to help the College develop its estate. This included a number of surveys, the provision of cost data and utilisation rates. The views of Teaching and Support staff were being sought in order to inform the planning process and help to prioritise projects that could be undertaken in 2015/16. The Head of Estates and his team were working hard to gather and analyse this data and the Committee wished to thank them for all their hard work. It was also noted that Paisley was aiming for City of Culture status which the College supported and welcomed as this might also benefit the College.
4. **Inchinnan Building, Paisley Campus (EM85) –** it was noted that the members of the Committee had toured this building and had considered a report on the condition of the building. The Committee was aware that further information was being gathered and would return to discuss this matter at a future meeting.

 **.6 Corporate Development Committee**

The Board noted that the Corporate Development Committee had held its first meeting on 18 March 2014. The Chair of the Committee provided an oral report to the Board as the minutes of the meeting were not yet available. The Board noted that the Committee had discussed its remit and responsibilities and had heard from the Vice Principal Corporate Development and each of the Directors about the range of work and activities underway within the College. The Committee had been impressed not just by the range of activities but also by the enthusiasm and positive attitude of the Directors leading these. A number of areas had already been identified by the Committee that it would like to become more involved in, including stakeholder engagement and international activities. This Committee was also responsible for monitoring the progress of the Invest in Young People initiative. The College was the host for the region and had established the regional group that would be responsible for taking this initiative forward. This group had already attracted support from a number of local employers and a bid for funding support was being prepared for submission to the national group in June. The Board welcomed this report.

**BM179 BOARD BUSINESS: MEMBERSHIP, DATES OF MEETINGS AND SCHEDULE OF BUSINESS 2014/15**

The Board noted information on its membership, dates of meetings and Schedule of Business for 2014/15. In particular the Board noted that it was proposed that it would have 5 meetings in session 2015/16. Further information on the precise dates of Board and the Committee meetings would be brought to the next meeting.  **[Action: GMcA]**

**BM180 BOARD INDUCTION**

It was noted that another Board Induction session would be held on the morning of Friday 22 May 2015 for all those who could not attend the previous one. Further information would be issued shortly.

**BM181 BOARD DINNER**

It was noted that there would be a Board dinner following the next meeting on Monday 22 June 2015. Further information would be issued shortly.

**BM182 STUDENTS ASSOCIATION CONSTITUTION**

 The Senior Vice President of the Students Association informed the Board that some minor changes were required to be made to the Constitution for the Students Association before the elections could be run for the office bearers for next session. These were mainly minor changes and related primarily to the structure within the Students Association. Unfortunately this matter could not wait until the next meeting. The Board **agreed** that, if these were minor amendments then it would deal with these by correspondence. If, however, there were more substantive changes to be made then a special meeting of the Board would be required to consider these. The Board would be kept informed.  **[Action: GMcA; LC; JJ]**

**BM183 NEXT MEETING**

Monday 22 June 2015 at 4.00 p.m. at the Clydebank Campus. This will be followed by dinner at 6.30 p.m.

GMcA/1.04.15/Final