

BOARD OF MANAGEMENT

Minutes: 4 December 2017

Present: Keith McKellar (Chair)
Audrey Cumberland (for BM409 – 414 only), Mike Haggerty, Jim Hannigan, Jacqueline Henry, Andrew Hetherington, Jenifer Johnston, Linda Johnston, Lyndsay Lauder, John Leburn, John McMillan, Alison Mitchell, Mark Newlands, David Watson.

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

Attending by

Invitation: Peter Connelly, Education Scotland.

Apologies: Nick Allan, Matthew Marsden, Nicole Percival, Angela Wilson.

BM409 CONGRATULATIONS

The Board congratulated the Principal on her recent appointment to the Board of the new Enterprise and Skills Strategic Board; and also David Alexander, Vice Principal Operations, on his recent appointment as Chair of the Scottish Funding Council's Audit and Compliance Committee.

BM410 WELCOME

On behalf of the Board the Chair welcomed Alan Ritchie, Director of Finance and Estates, to the meeting.

BM411 DECLARATION OF INTERESTS

John McMillan, Audrey Cumberland and David Alexander declared an interest as Trustees of the West College Scotland Foundation. Audrey Cumberland declared an interest as a member of the Enterprise and Skills Strategic Board. David Alexander declared an interest as a member of the Council of the Scottish Funding Council (SFC) and Chair of the SFC's Audit and Compliance Committee.

BM412 MINUTES

The minutes of the meeting held on 9 October 2017 were approved.

BM413 ACTIONS FROM THE MINUTES

The Board noted the actions taken since the last meeting, and particularly the following:

- i. **Regional Outcome Agreement Review 2016/17 (BM395)** – the final version of the Regional Outcome Agreement (ROA) Review 2016/17 had been circulated to the Board for approval before being submitted to the SFC for its deadline of the end of October.
- ii. **Board Membership (BM399)** – the Chair was pleased to report that the Minister had approved the re-appointment of Jim Hannigan, Jacqueline Henry and Lyndsay Lauder to the Board a further period of 4 years, to 31 January 2022.
- iii. **Chivas Brothers, Paisley (BM356)** – the Principal informed the Board that she had been involved in discussions with representatives of Renfrewshire Council and Chivas Brothers regarding the future development of the site currently occupied by Chivas Brothers which was adjacent to the Paisley Campus. The Board was pleased to note that Chivas were keen to keep the College involved in discussions in order to ensure that their plans were complimentary to the College's plans for the re-development of the Paisley Campus. These discussions were still at a high level and the Board would be kept informed of developments.

BM414 CHIEF EXECUTIVE'S REPORT (BM394)

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

- i. **Annual Review 2017** – copies of the College's Annual Review for 2017 were circulated at the meeting. The Board welcomed this report which it found very useful.
- ii. **Corporate Planning** – at the last meeting it had been proposed that the Board and Senior Management Team hold a corporate development event next spring in order to review the Corporate Development Plan 2015 – 2020 and associated ambitions and strategic priorities. While the College had made progress with its strategic priorities, a number of changes had taken place in the wider environmental and political context which would have a bearing on these and it was considered that such a strategic review would be timely. It was **agreed** that a Board Corporate Development day be held in spring 2018, date to be confirmed. **[Action: KM; AC; GMcA]**
- iii. **Cyber Security** – the Deputy First Minister and Cabinet Secretary for Education and Skills had written to all college Principals regarding cyber resilience and the Scottish Public Sector Action Plan. The Board noted the letter which set out the expectations regarding overall responsibility for delivery of the action plan within colleges and universities. It was noted that Internal Audit had already conducted an audit of IT Security within the College and so this work had already commenced. It was **agreed** that the College Executive be responsible for the implementation of the cyber resilience action plan in line with the timeframes set out in the Public Sector Action Plan where possible (all

as set out in the letter from the Deputy First Minister). The Board would receive regular reports on progress via the Finance and General Purposes Committee.

[Action: Executive]

It was noted that no additional funding had been provided to assist with this exercise at this time.

- iv. Regional Outcome Agreement Guidance 2018-2019** – the Minister for Further Education, Higher Education and Science had issued guidance to the SFC on the Scottish Government's expectations and ambitions for 2018/19 Outcome Agreements for colleges and universities, and a copy of this letter was noted by the Board. The Minister and SFC had met with all college and university Principals in early November to discuss this matter further and set out the Scottish Government's expectations. The focus was primarily on ensuring that all institutions performed and set ambitious targets. However, there had to be scope to allow each institution the opportunity to discuss and agree their own targets with their Regional Outcome Manager at SFC. These targets would need to be ambitious, consistent with Government policy but also achievable. The Board noted this information.
- v. College Innovation Fund** – it was noted that the Scottish Government had announced a College Innovation Fund of £500k in 2017/18 to support Scotland's colleges to work with business on innovation activity. West College Scotland was participating in this activity and 3 different models were being tested to determine the best way to take this forward.
- vi. National Bargaining** – it was noted that agreement had been reached on a pay deal for 2017/18 for Support Staff, and a job evaluation exercise would be undertaken nationally. In relation to Teaching Staff the EIS (Educational Institute of Scotland) was now in formal dispute with the Employers Association regarding the 2017/18 pay offer. However, agreement had been reached in principle on national harmonisation of terms and conditions, but this had still to be formally approved by the Colleges Scotland Employers Association and EIS members. If approved it would incur a significant increase in salary costs for all colleges. The Board would be kept informed of progress.

BM415 SFC/EDUCATION SCOTLAND EVALUATION REPORT AND ENHANCEMENT PLAN (BM396)

The Chair welcomed Peter Connelly, Education Scotland, to the meeting. The Evaluation Report and Enhancement Plan had been revised again in light of further discussions with the review team from Education Scotland and the SFC. The Board noted this revised report.

Mr Connelly informed the Board of the review process that had been used as this was a new process in its first year of operation. The Enhancement Plan was considered to be an important part of this process as it showed the areas

where improvements would be made over the coming year. He confirmed that the College Team had followed a logical process that was both comprehensive and systematic, and captured input from staff across the College. The Review Team had conducted a range of teaching and learning observations from 64 different classes. The Review Team had been impressed by what they saw and particularly that the College included career management skills in its offerings. The Review Team would return to the College in March to review progress with the Enhancement Plan. Education Scotland and the SFC would be endorsing this Evaluation Report and Enhancement Plan.

The Board welcomed this information and was pleased that the whole process had proceeded smoothly, that it had been recognised and appreciated by the visiting Review Team, and that the findings were encouraging. It was noted that this report was at a high level and that there were further, more detailed, actions being taken as well. A Plan was in place to progress the actions identified in the report which set out the timescales and deadlines involved. The Learning, Teaching and Quality Committee would monitor progress and report to the Board at regular intervals.

As this was the first year of operation of this new system it was a learning process for all concerned. In the future gradings would be applied to the outcomes, but these would have to be read in conjunction with other aspects of the Report.

The Board welcomed this information and congratulated all the College staff involved in achieving such a good outcome. On behalf of the Board the Chair thanked Mr Connelly for attending the meeting to provide this feedback.

BM416 CHAIR'S REPORT (BM398)

The Board noted the Chair's report and particularly the following:

- The College's recent successes in the College Development Network (CDN) Awards where the College had won the Innovative College Award and the Health Promoting College Award.
- College Graduations were now complete and had proceeded smoothly. On behalf of the Board the Chair thanked all the staff involved for their hard work and for ensuring these ceremonies were such a success.
- The report of the Scottish Government Independent Review of Student Financial Support in Scotland had recently been published. It was anticipated that further information would follow.
- The Chair had recently attended a meeting of the Scottish Government with all the College Regional Chairs to discuss a number of matters affecting the sector and including the appointment/re-appointment of Regional Chairs.

BM417 STUDENTS ASSOCIATION REPORT (BM401)

The Board noted the report from the Student President on the activities of the Students Association, and particularly the following:

- The Students Association Officers were working well as a team and had built good working relations with the staff, particularly those in the Quality, Learning and Teaching Directorate.
- The training for Class Representatives was now complete and had gone well with good feedback provided from those who had participated in the training.
- Efforts were continuing to raise the profile of the Students Association so that all students were aware of the Association and what it did. The increasing use of social media was also helping with this.

The Board welcomed this report.

BM418 FINANCIAL STATEMENTS 2016/17

The Board received the following information: the Annual Report from the Internal Auditors; the Annual Report from the Audit Committee; the Annual Report and Letter of Representation from the External Auditor; and the Financial Statements for the College for the period 1 August 2016 to 31 July 2017.

.1 Annual Report from Internal Auditor

The Board noted the Annual Report from the Internal Auditors, Scott-Moncrieff, for the year ended 31 July 2017. The Board was pleased to note that the Internal Auditors had confirmed that the College had an adequate framework of control over the systems they had examined and had no issues to raise. It was also noted that the Internal Auditors had undertaken 60 days of review during 2016/17 and could, therefore, provide a high level of assurance. The Board **approved** the Annual Report from the Internal Auditors.

.2 Annual Report from Audit Committee

The Board noted and **approved** the Annual Report from the Audit Committee for the year ended 31 July 2017.

.3 Report from External Auditor

The Board noted that this was the first year that Mazars LLP had conducted the external audit of the College Financial Statements. It was pleased to note that the External Auditors had been satisfied with the outcomes of the external audit and would be issuing an unqualified audit report for the College. The Auditors confirmed that they were satisfied with the information contained in the Financial Statements, which complied with the reporting requirements, and had confirmed the College's ability to continue as a going concern. The report had highlighted the condition of the College estate and the need for significant investment if it was to remain fit for purpose and attractive to students in the future. This was essential for the future sustainability of the College. The Board

noted that the External Auditors had confirmed that they were impressed by the quality of information coming forward from the College and the assistance they had received from the College Finance Team.

On the recommendation of the Joint Meeting of the Audit and Finance & General Purposes Committees, the Board

RESOLVED that the External Auditors Annual Report for the year ended 31 July 2017 be approved and the Chair and the Principal be authorised to sign the Letter of Representation on behalf of the Board. **[Action: KM; AC]**

.4 Financial Statements

The Board received the Financial Statements for the College for the year to 31 July 2017. The Financial Statements had been prepared in accordance with the relevant reporting requirements. It was noted that, while the Financial Statements showed a significant accounting deficit, the underlying operating position of the College showed a small operating surplus of £18k which was essentially a break-even position.

It was noted that the Joint Meeting of the Audit and Finance and General Purposes Committee had considered these Financial Statements in detail at its meeting and had recommended approval to the Board. The Joint Meeting had also considered and approved reports from Wylie & Bisset LLP, who had been the external auditors for the following: 2016/17 Credit Audit Report; Student Support Funds 2016/17 Audit Report; and Education Maintenance Allowance (EMA) Audit Report for 2016/17. The Board was pleased to note that there had been no recommendations arising from any of these reports.

In discussion the Board was of the view that the College was well managed and had in place a 5 year financial strategy which was designed to ensure that the College remained financially sustainable. However, the current funding position of all colleges in Scotland was challenging and the Board and the College Team would need to monitor the situation closely and manage the finances carefully in order to maintain this position.

In light of the above information the Board

RESOLVED that the Financial Statements for the year ended 31 July 2017 be approved and the Chair and Principal be authorised to sign these on behalf of the Board.

On behalf of the Board the Chair thanked the Vice Principal Operations, the Director of Finance and Estates and the Finance Team for all their hard work in achieving such a good outcome.

BM419 COMMITTEE REPORTS

The Board noted the following reports:

.1 Learning, Teaching and Quality Committee

The Board noted the minutes of the meeting of the Learning, Teaching and Quality Committee held on 11 October 2017 and particularly the following:

- i. Committee Remit and Membership (LM229)** – the Board **RESOLVED** that the remit of the Learning, Teaching and Quality Committee be amended as proposed.
- ii. Student Enrolment 2017/18 (LM232)** – it was noted that overall full-time numbers were down slightly compared to the same point last year but actions were being taken to address this. There had been a shift in demand for places which the College staff were currently working to meet.
- iii. Student Satisfaction Survey 2016/17 (LM235)** – the Board noted the Student Survey Report 2016/17. This was a national survey but the College had the flexibility to add in its own questions to obtain more tailored feedback. This was a very positive report, the outcomes of which were being used to inform the curriculum review process to ensure that further improvements could be made. The Board welcomed this report.

.2 Organisational Development and HR Committee

The Board noted the draft minutes of the meeting of the Organisational Development and HR Committee held on 8 November 2017, and particularly the following matters:

- i. Health and Safety Audit Report: Report from Internal Auditors (OM170)** - the Board noted that the Internal Auditors had reviewed Health and Safety arrangements in the College and had produced a positive report. A number of areas of good practice had been identified and a few, low level, recommendations for improvement had been made which were being actioned.
- ii. HSE Improvement Notice (OM171)** – the Committee had been advised that the College had been issued with a Health and Safety Improvement Notice. The Committee had received a detailed report on the incident that had led to this and the corrective action being taken. The HM Inspector of Health and Safety had stated that the materials involved had been relatively low risk and any potential exposure was likely to be minimal. The Committee would continue to monitor the situation until it was satisfied that the matter had been fully resolved.
- iii. Building Our Collective Future framework (OM168.3)** – the Board noted that the College had developed a new Building Our Collective Future framework which set out core behaviours expected of all staff. A Working Group, including trade union representatives, would now focus on the implementation of this framework.

.3 Estates Committee

The Board noted the draft minutes of the meeting of the Estates Committee held on 14 November 2017, and particularly the following matters:

- i. Inchinnan/Oakshaw Project (EM250.4)** – the Board was pleased to note that this project was nearing completion.

- ii. **External Cladding on Buildings (EM250.5)** – following further detailed investigations the Board noted that the Estates Committee, and the firm of architects involved, were of the view that no further action needed to be taken. All necessary steps had been taken and the College had done all it could to satisfy itself that the cladding was safe. The Board noted and welcomed this information.
- iii. **Emerging Opportunities (EM251)** – it was noted that the Outline Business Case for the development of the Paisley Campus had been submitted to the SFC. The Outline Business Case for the development of the Greenock Campus had been submitted some time ago but, to date, no confirmation of support had been received from the SFC for either of these projects. Discussions with the SFC were continuing and the Board would be kept informed of progress.
- iv. **Estates Maintenance Plans 2017-2022 (EM254)** – the Board was disappointed to note that the College continued to be constrained by the level of estates maintenance funding provided by the SFC.

.4 Finance and General Purposes Committee

The Board noted the draft minutes of the meeting of the Finance and General Purposes Committee held on 21 November 2017 and particularly the following matters:

- i. **Committee Remit and Membership (FPM152)** – the Board considered the proposed amendments to the Committee's remit. In discussion one proposed amendment was queried and would be discussed further by the Committee, all other proposed amendments were approved. The Board **agreed** that the remit be amended, subject to further consideration of one proposed amendment. **[Action: GMcA]**
- ii. **SFC Financial Forecast Return (FFR) (FPM151)** – it was noted that the FFR had been returned to the SFC and the College Executive would be meeting with the SFC later in December to discuss a range of strategic matters, including the FFR. It was considered unlikely that there would be an increase in funding for the College going forward and so the College Team had conducted scenario planning. It was hoped that following this meeting with SFC further information would be available to aid the scenario planning in order to identify actions required to ensure the future sustainability of the College.
- iii. **Skype for Business (FPM154.5)** – it was noted that a number of pilots would run across the College in 2018 with the expectation that this would lead to a roll-out of Skype for Business across the College from 2018/19.
- iv. **Technology One Finance System (FPM154.5)** – it was noted that there had been a delay in implementing the new Technology One Finance System. The Committee would continue to monitor this situation and, in the meantime, the College would continue to use the current Symmetry system.
- v. **Management Accounts to 31 October 2017 (FPM156)** – the Board noted the Management Accounts for the first quarter to 31 October 2017.

.5 Joint Meeting of Audit and Finance and General Purposes Committees

The Board noted the draft minutes of the joint meeting of the Audit and the Finance and General Purposes Committees held on 21 November 2017.

BM420 STRATEGIC RISK REGISTER (BM405)

The Board considered the Strategic Risk Register. In light of the earlier discussion regarding the College being issued with a Health and Safety Improvement Notice (see BM419.2 above) it was considered whether any risks in relation to Health and Safety should be included in the Strategic Risk Register. However, it was noted that the matter raised had been an operational issue, and would be dealt with through this route. It was queried if one incident justified including an operational matter on a strategic risk register. The Strategic Risk Register was considered by all Board Committees at each meeting, plus the Senior Management Team considered this on a regular basis as well. It was **agreed** that the Organisational Development and HR Committee would look at this matter again and consider whether there was a need to include a risk on the Strategic Risk Register in relation to Health and Safety based on the issuing of the HSE Improvement Notice. It was also noted that the Audit Committee would be considering the risk approach again and a further development session on risk for Board members would be held in the future.

[Action: AR; GMcA]

The Board **agreed** that the Strategic Risk Register be approved.

BM421 REVIEW OF RECENT COURT JUDGEMENTS

The Board noted information issued by the Good Governance Steering Group regarding the outcomes of a recent Court judgement in relation to legal action taken by a former Board member at Clyde College and the implications this had for all College Board members. It also noted the importance of the Board Secretary role and the need for a replacement should the Secretary not be available for any reason. The Nominations Committee was already considering this latter matter.

BM422 BOARD: COMMITTEE MEMBERSHIP, SCHEDULE OF BUSINESS AND DATES OF MEETINGS 2017/18 (BM406)

The Board noted the Committee membership, proposed schedule of business 2017/18 and the dates of Board and committee meetings for 2017/18.

BM423 REPORT ON DELEGATED ACTION TAKEN SINCE LAST MEETING

Following approval by the Nominations Committee, the Chair had approved the appointment of Jim Hannigan as Chair of the Finance and General Purposes Committee. The Board homologated this decision.

BM424 NEXT MEETING

Monday 5 February 2018 at 4.00 p.m. at the Paisley Campus.