**Approved Minute Special Meeting of the Board**

**6.00 pm 15th May 2023 – Blended Meeting**

**Face to Face in the Boardroom, Motherwell Campus and via Zoom**

**Present**

**Face to Face:** Ronnie Smith,Paula Blackadder,Yvonne Finlayson (Chair), Fraser Heaney, Christopher Moore, Kellyann McGraith **Via Zoom**: Kenny Anderson, Rahela Calin, Dianne Dixon, John Elliott, Keith Fulton, Moira Jarvie, Stella McManus (Principal SLC), Ryan McRobert, Barbara Philliben, Alastair Rennie, Dave Winning.

**In attendance: Face to face:** Ann Baxter, Iain Clark, Jack Kerr (Audit Scotland), David Hoose (Mazars), Morag Ferguson, Diane McGill, Penny Neish, Matthew Smith, Elaine Turkington, Louisa Yuill (Audit Scotland). **Via Zoom:** Keith McAllister (Head of Finance, SLC).

1. **Chair’s welcome:** Ronnie Smithwelcomed members and attendees to the meeting and Jack Kerr and Louisa Yuill the new external auditors from Audit Scotland. This meeting had been called to approve the recommendations on the 2021/22 NCL regional consolidated accounts from the joint meeting of the ARC and Finance Committees who had met to consider the accounts earlier at 5.30 pm before the Board meeting. The Board would also consider a presentation from the NCL Principal on further proposals in regard to the Financial position which would follow on from the special meeting of the Board on the 24th April 2023.

**2. Apologies for Absence:** There were apologies from Paul Hutchinson, Tarryn Roberson, Ann Docherty and Suzie Graham (Mazars).

**3. Declarations of Interest:** There were no Declarations of Interest.

**4. November/ December 2022 Committee Minutes for Information**: The Board Secretary had circulated the minutes from the ARC and a special meeting of the Finance Committee both held on the 5th December 2022and from the Board meeting on the 12th December 2022. There had been presentations to each Committee from Lucy Nutley of Mazar’s on the draft NCL Annual Audit report and from Iain Clark on the draft NCL Financial Statements. The Board had also received draft copies of the Annual Audit Report and the Financial Statements and the minutes from the committees. The Board minute from the 12th December 2022 sets out the discussion at that meeting: the Committees and the Board had, therefore, considered the accounts in detail at these meetings.

**5. Recommendation of NCL Consolidated Accounts 2021/22**

**5.1** David Hoose gave a short introduction to the NCL Annual Audit Report which had been seen on draft by the ARC and Finance Committees and by the Board as noted above. He informed the Board that the governance statement was now agreed following agreement with SLC on their governance statement. There would be a Section 22 report on the SLC accounts from Audit Scotland which would follow on from last years report. The NCL accounts at Section 4 and 5 set out unqualified opinions.

**5.2** There was now a section at P 15 of the report which makes it clear that the delay to the process of approving the NCL consolidated regional accounts is entirely a consequence of the delay to in finalising the assigned college’s i.e. SLC – accounts. The wording is as follows:

***Significant difficulties during the audit:*** *During the course of the audit we did not encounter any significant difficulties and we have had the full cooperation of management. The draft accounts, working papers and annual report were all provided in line with the agreed timetable which included the receiving of a final draft of the Governance Statement following the finalisation of South Lanarkshire College’s Governance Statement. We do not consider there to have been any significant delay to the New College Lanarkshire audit and the later than typical signing of the accounts is entirely a consequence of the delay in finalisation of South Lanarkshire College’s (the assigned college) completion. We would like to express our thanks to management and college staff for their cooperation throughout the audit.*

**5.2** Yvonne Finlayson said that it was the recommendation from the ARC that the Annual ARC Committee Report and the NCL Annual Audit Report 2021/22 be approved by the Board.

**5.3** Iain Clark informed the Committees that the Financial Statements were not substantially changed from the drafts in November/ December with the main change being the governance statement at P42- P45. He informed the Board that OSCR was aware of the situation and an interim submission had been made to them.

**5.4** Paula Blackadder informed the Board that it was the recommendation from the Finance Committee that the Financial Statements for 2021/22 should be approved by the Board.

**5.5** Keith Fulton raised the issue of the responsibilities of the Board Members and trustees re the Financial Sustainability statements at p 26. Ronnie Smith said that this was covered through the classification of the colleges as being part of ONS and, therefore, being included in central government finances. Louisa Yuill said that under ONS it was considered that the Scottish Government would continue to provide the service.

**5.6** Keith Fulton also raised that the table of Members and appointment terms at p 31/32 had the former SLC Principal’s leaving date which was beyond the reporting period. It was confirmed by David Hoose that this had been raised with the auditors and they had confirmed that this should be included in the table.

***Decisions:***

***1. The Lanarkshire Board approved the Annual ARC Committee Report.***

***2. The Board approved the NCL Annual Audit Report 2021/22.***

***3. The Board approved the NCL Financial Statements for 2021/22.***

At this point in the meeting Jack Kerr and Louisa Yuill left the meeting.

**6. NCL Financial Presentation**

**6.1** There had been a special meeting of the Board on the 24th April 2023 to discuss the NCL financial positionand there had been a presentation from the Executive Board setting out options to address the position. The Board decided at that meeting to give its support for the launch of a VS scheme and for the recommendation in the nursery view. It noted that there would be discussion with the SFC on Thursday

27th April re the funding options to address the deficit. (Moira Jarvie recorded that she could not give her support for these measures).

**6.2** Ronnie Smith informed the Board that he along with Christopher Moore, Ann Baxter, Iain Clark, Moira Jarvie and Dave Winning had attended the meeting with the SFC. The issue of asset sales and being able to keep funding from the sale under ONS rules had been raised as had bringing forward grant but this would only be a short- term fix. The Scottish Government would look to what flexibility it could – up to £500k can be kept by a college. The SFC were clear that there would be no further monies.

**6.3** The Board had already supported the principle of a VS scheme and the scheme had been reviewed by the Executive Board and the current proposals were for a scheme reduced by 40% because of the capacity to fund the scheme and for other options to address the financial position. Moira Jarvie noted that she was heartened that the numbers for the VS scheme had gone down from the previous presentation to the Board.

**6.4** Christopher Moore made a presentation to the Board to set out the latest financial position and there was discussion of the options set out. The discussion included ensuring that there was support for students, staff and communities impacted and close working with strategic partners.

**6.5** The Board took the following decisions:

**Decisions:**

1. **The Board approved a 6 month VS scheme for 49 FTEs – 23.75 Academic Staff and 25.25 Professional Staff.**
2. **The Board approved the proposed reduction in temporary staffing.**
3. **The Board approved the closure of the Coatbridge and Cumbernauld Nurseries. The Board noted that the two college-operated nurseries faced significant financial challenges. In the past three years, nursery operating costs have required that the college provide more than £1m in additional funding in order to maintain nursery provision. Given the college’s financial position, it is no longer possible to sustain this level of financial support. It was also noted that the Coatbridge nursery premises were old and would require replacing in the near future. Given the financial position of the college, such an investment would not be possible.**
4. **The Board approved the mothballing/closure of the Motherwell Residencies. The residencies have been making a loss for a number of years. In the current financial year, the income for the residencies benefited from a 16 year room contract with the University of Strathclyde. The University has indicated that the contract will not be renewed in session 2023/24. Initial conversations for a similar undertaking with Glasgow Caledonian University (GCU) did not progress since the residencies were unable to accommodate GCU’s needs.**
5. **The Board approved the sale of the land and buildings at Donaldson Place in Kirkintilloch.**

**6.6** Ronnie Smith thanked the Board for attending the meeting and for their support in dealing with difficult decisions. The Board was informed that discussions would take place with the trade unions the

following day and there would be communication with staff and students and key stakeholders to support the implementation of the decisions made by the Board.

**7. AOB –** There was no other business.

**8. Date of Next Meeting:** The date for the next scheduled meeting of the Board is the 12th June 2023.