

Draft Minute

The Lanarkshire Board 3rd October 2016

5.00 pm Boardroom Cumbernauld Campus

Present from the Lanarkshire Board: Kenny Anderson, Douglas Anderson, Jean Carratt, John Elliot, Keith Fulton, Jean Harkness, Moira Jarvie, Jane McCartney, Martin McGuire, Stewart McKillop, Paul O'Donnell, Stuart Reid, Zorena Shanks, Ann Stark, Jack Smith, Ronnie Smith.

In Attendance: Angus Allan (SLC), Iain Clark (NCL), Tom Dodds (NCL), Brian Gilchrist (NCL), Keith McAllister (SLC), Diane McGill (Board Secretary -The Lanarkshire Board), Penny Neish (Assistant to the Chair of the Lanarkshire Board), Derek Smeall (Vice Principal NCL), Heather Urquhart (Vice Principal NCL).

1. Chair's Welcome

Keith Fulton chaired this meeting of the Board. He welcomed Board members to this meeting of the Lanarkshire Board and welcomed new members to the Board – Zorena Shanks (the NCL Student President), Jack Smith (the SLC Student President), Jean Carratt (Teaching Staff Member SLC) and Rose Harkness (Support Staff Member).

2. Apologies

2.1 There were apologies from Board Members Linda McTavish, Douglas Anderson, Rosemary McKenna and Michele Bingham was not in attendance. There were also apologies from Sharon Drysdale and Alison Malcolm from the SFC.

3. Declaration of Interest

3.1 The Chair noted that the Principals, staff members and those in attendance apart from the Board Secretary would leave for the confidential report at Item 14 on the agenda – the Remuneration Committee Confidential Report to the Board. The staff members would have a conflict of interest under the 1992 Act as there would be discussion of the terms and conditions of employment of a group of employees of the regional college and Regional Strategic Body to which they belong or are assigned.

4. NCL Committee Minutes and Reports

Notes: a). The Chairs of the Lanarkshire Board committees decided at the Chairs' meeting on the 8th February 2016 to report by exception in their report to the Board and where there was a recommendation to the Board the committee chair would ensure that there was sufficient information for the Board to make its decision. b). There was a Remuneration Committee on the 13th September 2016 followed by a telephone meeting on the 19th September 2016. These minutes are confidential and were tabled at Item 14.

4.1. CSAO Committee Minute: Jacqui McGarvey reported that the CSAO committee had a response to the letter inviting John Swinney to visit the regional college from Shirley Anne Sommerville, the Minister for Further Education, Higher Education and Science. The Minister had offered a meeting with James Boyce the Acting Head of College Policy and this would be followed up by the Committee. The Committee would receive reports on the Gender Action Plan that each college is now required to submit and to demonstrate that no curricular area will have more than a 75:25 split over gender areas by 2020. The Board was informed that other equality characteristics are not subject to this plan but the CSAO committee would follow up on other equality characteristics in curricular areas. She also reported on the impact of the EU referendum and noted that the loss of European Funding will be pursued by the Chair of the Board and both college principals through the Principals' Forum.

4.2 Audit Committee Minute: Ronnie Smith informed the Board that there was nothing to report from the Audit committee by exception. The minute showed the range of issues being considered by the committee.

4.3 Chairs' Committee Minute: Keith Fulton reported to the Board on the Chairs' Committee and drew the Board's attention to Item 4 of the minute and the issue of tax due to NCL from staff voluntary severances. This had also been discussed in the Finance Committee on the 19th September 2016 - Item 8.4 of the minute- and a report on the payment position was appended to that minute. The Board was asked for guidance in taking forward the issue of payments now due to the college.

Decision: It was agreed that NCL would check the latest position on payment with the HMRC, then send a lawyer's letter to those who have not made payment and prepare a cost benefit analysis on using debt collectors for consideration and agreement by the Finance Committee.

4.4 RGP Committee Minute: Keith Fulton informed the Board that there was nothing to report by exception from the RGP committee.

4.5 Finance Committee Minutes: Kenny Anderson reported to the Board from the special meeting of the Finance Committee on the 5th September 2016 and the meeting on the 19th September 2016. He reported on the two issues set out in the minute of the meeting on the 5th September 2016: the financial reporting issues which are subject to a solutions focussed review and the setting of a deficit budget for 2016-17. The reasons for the deficit are set out at Item 4.2 of the minute for the special meeting as follows:

“As well as pressure on the sector, there were a number of specific issues relating to New College Lanarkshire. These included costs which are not currently being funded by the SFC as follows: traditionally higher salaries than the rest of the sector and the knock on effect in terms of budgeting for national bargaining, pay awards and increased pension and National Insurance costs. In addition, the College delivered a substantial amount of European Social Fund activity for a lower price than that paid to other colleges. “

Decision: The Board agreed the recommendation from the Finance Committee and approved the deficit budget proposed subject to continuing with the ongoing discussions with the SFC about the need for increased funding for NCL. The Board acknowledged the considerable work that has been done by staff to pare costs and prepare the budget in very challenging circumstances.

5. Board Minutes

5.1. The minute of the Board meeting of the 3rd October was approved.

5.2 Matters Arising: The Chair informed the Board that the SFC were now considering having a college wide workshop on the funding model with a number of members from college boards. Martin McGuire informed the Board that he had not signed the agreement with the SFC on ESF provision for Lanarkshire because of the lower price offered to Lanarkshire. There is no rationale for this and it has a significant impact on the overall budget for the colleges. Stewart McKillop highlighted SLC's support for the issue over the price offered but that there would be serious cash flow problems for SLC in November 2016 if ESF funds were not forthcoming. He would need an interim arrangement-e.g. a payment subject to the agreement being signed- if there is no agreement in the near future.

Decision: Martin McGuire and Linda McTavish will speak to the SFC following the Board meeting. Further action will then be reported to the Finance Committee and the next meeting of the Board. The Board agreed to attend the SFC college wide funding model event – Ann Stark, Kenny Anderson and

Stuart Reid will attend subject to availability - but also agreed that there needs to be a Lanarkshire Region discussion with the SFC as well given the range of Lanarkshire issues.

6. Student Associations Report

6.1 Zorena Shanks resented her paper to the Board highlighting the following:

- The success of the Be Engaged programme – there have been 4,000 hits on Moodle.
- The CPD programme with staff which helped staff to understand what the Student Association can do to support students.
- The class visits including the engineering block at the Motherwell Campus
- The volunteer elections are at nominations stage and the results of the elections will be announced on the 20th October 2016.
- Visits to the Young Mums Group have resulted in two parents becoming students at the Cumbernauld Campus.
- Freshers' Week went very well with a range of popular events for the new students
- Students are engaging more with the Student Association social media site.
- There are a number of forthcoming events and activities planned which are set out in the paper.

6.2 Jack Smith presented his paper highlighting the following:

- The Induction Talks by the Student association with classes
- The activities for Freshers' week
- Attendance at meetings and events and meetings with the NUS on the operational plan.
- Meetings with the SFC and NUS on the national framework
- Recruitment of student officers is ongoing
- A healthy Eating campaign
- A very good take up from students of hoodies

6.3 The Chair thanked the students for their reports.

7. SLC Board Recruitment

7.1 Jane McCartney, the newly re-appointed Chair of SLC, reported to the Lanarkshire Board that the SLC Board is now fully recruited with a total gender split of 9 females and 7 males. There are 10 new members and 6 who reapplied to the Board. The SLC Board had undergone an induction programme as detailed in the paper to the Lanarkshire Board and the first meeting of the Board will be on the 4th October 2016.

7.2 Stewart McKillop informed the Board that SLC's audited credit number for last year was 47,176 that this year achieved 104% of its credit target.

7.3 The Board noted the reports.

8. Chairs Report

8.1 Funding Body Status: The Board noted the letter to the Chair of the Board from John Kemp which confirms that New College Lanarkshire is from August 2016 the fundable body for the Lanarkshire colleges.

8.2 Update on Board Evaluation: The Board was updated as follows:

- The evaluation of the Chair by Margaret Cook has been drafted and issued for further comment. It is at final stages of completion.
- The individual meetings with the Chair of the Board and Board Members are mostly complete with the last meetings being arranged with those Board members who have not yet met with the Chair.
- The questionnaire on Board processes is being returned by Board members and a report will be presented at the next meeting of the Board.

The Board Secretary informed the Board that the deadline for the completion of the evaluation had been put back to the end of March 2017. The Board noted the report.

8.3 Lanarkshire Board Recruitment: The Board was informed that the application process had now closed and there were four applicants in total – 3 male and one female. The Nominations Committee will review and interview applicants in October and the Board will be informed of successful applicants after ministerial approval.

8.4 Lanarkshire Board Strategy Days: The date for the event is the 19th & 20th January 2017. The Board noted that the Chairs' Committee had agreed to setting up a working group with Ann Stark as the Board representative and that it was intended to hold a social event for the Board.

8.5 National Committees: The Board Secretary informed the Board of the work of the Good Governance Steering Group of which the Chair is a member. This group has recently issued the revised Code of Good Governance which is on the Board Agenda at Item 12.1.

8.6 Events and Awards: The Chair updated the Board as follows:

- The NCL Graduation Ceremony will be on Friday 4th November 2016 at the Glasgow Royal Concert Hall. An email has been sent to the Board.
- The College Development Network Board Members Conference will be held at the Hilton Hotel in Glasgow on the 25th October 2016. So far, nine Board Members will attend plus the Board Secretary and the Chair's Assistant.
- The College Development Network is holding a joint induction day for Student Board members on the 11th October and Zorena and Jack will both attend.
- CDN will hold an induction day for new Board Members on the 8th December 2016 at Argyll Court in Stirling.

The Board noted the upcoming events.

9. SFC Update: The SFC proposal to hold a college wide workshop on the new funding model was discussed at 5.2 above.

10. Prevent Strategy Update: Brian Gilchrist presented a tabled paper on PREVENT. The Board was informed that the college continues to be vigilant and engages with a range of bodies in order to maintain a safe learning and working environment. The senior management team receive regular updates on guidance issues under the UK national counter terrorism strategy and PREVENT and will continue to take appropriate action within areas of responsibility.

11. Regional Strategy Update: The Board was asked to approve the addition of a new strategic objective to the Lanarkshire Regional Strategy 2016-19 under Priority 1 "Learner Journey" to reflect a distinct targeted focus on improving learner retention.

Decision: The Board approved the amendment to add a new objective “to achieve higher attainment rates and significantly reduce withdrawals from underperforming areas.” (NB the word high is replaced by higher).

12. Governance

12.1 Revised Code of Good Governance

12.1.1 The Board Secretary updated the Board about the revised Code of Governance that was issued by Colleges’ Scotland on the 7th September 2016. This Code is a key governance document for Board Members. The following points were noted at the meeting:

- The Foreword: the code is based on key principles and has been written in a way that is mandatory and anticipates compliance.
- Page 3 – compliance with the Code is a condition of grant from the SFC or the RSB. Also, each Board must state its adoption of the code in the corporate governance statement contained in its annual financial statement.
- C.7 the Board must publish all non- confidential committee and Board reports as well as agendas and minutes.
- C 19 – the Remuneration Committee must undertake the College Development Network’s on line training.
- C28 - the Board must comply with collective agreements placed on it through national collective bargaining for colleges.
- D23 – The Board must send its self- evaluation (including an externally facilitated evaluation) and Board Development Plan (including progress on the previous year’s plan) to its funding body and publish them on line.

12.1.2 The Board noted the Revised Code of Good Governance and the Chairs’ Committee approval of the publication of reports. The view that the Code is overly prescriptive and does not recognise the past experience of a number of board members was again expressed at the meeting. It was also noted that there is currently a conflict for the Lanarkshire Board in the code between paragraph C22 which states that the Board is responsible for ensuring the financial and institutional sustainability of the body and C28 which states that the Board must comply with collective agreements placed on it by collective bargaining. National bargaining is one of the factors that has resulted in the Board having to approve a deficit budget. This will be raised with the SFC in the budget discussions.

12.2 Audit Scotland College Sector Report:

12.2.1 The Board Secretary commented that this report highlights a number of issues that the Board and its committees have been discussing as follows:

- The number of under-25s in full time education at college has increased by 14% in the last eight years. Student numbers overall have decreased by 41% over the same period and part time students by 48%. Most of the reductions in student numbers have been among women and people aged over 25.
- Colleges do not have long term financial plans which would help them prepare and address further financial pressure such as national collective bargaining, estate maintenance and student support funding.

- The Scottish Government's current approach to funding colleges for depreciation is complex and creates a degree of uncertainty for colleges.
- colleges should develop a long term financial strategies (minimum of 5 years) underpinned with financial plans that link to workforce plans and take account of financial pressures such as national bargaining, estate development and maintenance and student support funding
- make agendas, supporting papers and minutes (subject to confidentiality issues) for Board and committee meetings publicly available within appropriate timescales.

12.2.2 The Chair of the Finance Committee commented that developing longer terms financial strategies and plans is something that the Finance Committee will consider. The Board Secretary informed the Board that the Chair of the Board will the discuss the development of a Lanarkshire response to this report with senior management.

12.2.3 The Board noted the report.

13. Board Dates: The Board noted the 2017 Board Dates.

14. (Item 15 on the Agenda) AOB: The Chair asked if there was any other business before discussing the confidential minute from the Remuneration Committee. Moira Jarvie asked the following:

- The Board's view of the current strike by support staff because of a pay award differential resulting from national bargaining. Both Principals replied that it had been practice in the past at both colleges to offer the same pay awards to both support and academic staff. Both Principals have urged for ministerial action and have raised the negative impact that this is having with the SFC. The Chair of the Board is also working to find a resolution. Keith Fulton will speak to Linda McTavish. The Board supported the finding of a quick resolution of this issue.
- Why Chair's reports following each meeting of the Board had not been produced. The Board Secretary confirmed that these reports were being produced and being sent out to the Board and posted to the web.
- What was the position at SLC with external first aid services being brought in during strike days? Stewart McKillop clarified the position and reassured that there were no legal issues with this approach.
- Whether bonuses were being paid to senior staff. Martin McGuire confirmed that NCL had not paid bonuses to senior staff. This was also confirmed by SLC.

Note: At this stage in the meeting the Principals, those in attendance (apart from the Board Secretary), staff members and other Board Members with an interest left the meeting.

15. (Item 14 on the Agenda) In Confidence: Remuneration Committee Minute 13th September 2016.

Present for this item: Kenny Anderson, John Elliot, Keith Fulton, Paul O'Donnell, Stuart Reid, Zorena Shanks, Ann Stark and Ronnie Smith.

The Board considered the tabled confidential minute of the Remuneration Committee on the 13th September and the minute of a follow-up telephone meeting on the 19th September 2016.

Decision: The Board agreed the recommendations from the Remuneration Committee.
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16. Date of the Next Meeting

The next meeting of the Lanarkshire Board will be on the 12th December 2016 at 10.30 am at 101 Park Street at the Coatbridge Campus. This will be followed by the Board Christmas Lunch.