

Minute

The Lanarkshire Board 20th June 2016

5.00 pm Boardroom Motherwell Campus

Present from the Lanarkshire Board: Linda McTavish (Chair), Kenny Anderson, Douglas Anderson, Michelle Bingham, Paul Devenny, John Elliot, Craig Ferguson, Ashley Hickford, Keith Fulton, Moira Jarvie, Martin McGuire, Rosemary McKenna, Stewart McKillop, Stuart Reid, Ann Stark, Ronnie Smith.

In Attendance: Angus Allan, Iain Clark (NCL), Sharon Drysdale (SFC), Brian Gilchrist (NCL), Gordon Kerr (SLC), Alison Malcolm (Policy Officer SFC), Diane McGill (Board Secretary -The Lanarkshire Board), Daniel Moore (Student Vice President Elect), Penny Neish (Assistant to the Chair of the Lanarkshire Board), Zorena Shanks (Student President Elect), Derek Smeall (Vice Principal NCL), Heather Urquhart (Vice Principal NCL).

1. Presentation – Modelling of Allocations of Funding

1.1 Gordon McBride and Martin Smith of the SFC made a presentation to the Board on a new system for modelling allocations of funding which will be phased in and general key points were noted as follows:

- The SFC expect in- year funds of 12.2 million in additional funding to increase the unit of resource and to provide an inflationary uplift for student bursaries. There will be a 1% uplift in college teaching grants for non- rural colleges and 2% for rural colleges in 2016-17.
- The Board was informed that there were five factors in setting activity targets (credit targets), the demographic model, performance against last year's targets, supply and demand, regional factors and institutional stability.
- The demographic model awards credits for the numbers in the college region in specific groups e.g. school pupils, 16-17 year olds, 18-19 year olds without a positive destination, fulltime 20-24 year olds, 20-24 year olds on JSA, those with low levels of qualifications, the population of 25-64 year olds, each person in employment (job upskilling), those unemployed for over a year and for those from the most 10% deprived areas. Then courses are mapped onto one of five price groups based on the course superclass assigned by the college. This gives an initial price group profile before extended learning support, rural funding and social inclusion premiums are added.
- The SFC noted that Lanarkshire was considered as a growing region but also noted that Lanarkshire students were going to Glasgow Colleges and that this could affect funding in the future for the Lanarkshire Colleges.
- The SFC is considering how to implement the model without causing disruption in the sector and has set up a working group on transitioning to this model.

2.1 A number of issues were raised by the Board as follows:

- The credit price in Lanarkshire is £7.82 down on the average price per credit and £22 below the average Scottish credit for ESF.
- The overall increase for Lanarkshire is £29,000. The SFC informed the Board that fee income from other bodies was netted off and this impacted on the overall SFC grant.
- It is important that there is consistency in the language and terminology used in the demographic model.
- The Board noted that the Lanarkshire region gets no funding from the rural premium despite having a large rural hinterland that goes all the way down to Dumfries and Galloway.

Decision: It was decided that as this is a complex but essential area for the Board and that a further workshop would be held in September 2016. The presentation will be sent out to Board Members by the Board Secretary and members' questions will be addressed at this workshop.

2. Chair's Welcome

2.1 The Chair welcomed Board members to this meeting of the Lanarkshire Board. She noted that this would be the last meeting for Ashley Hickford (the NCL Student President), Megan Cord (the SLC Student President) and for Paul Devenny and Craig Ferguson who had confirmed that they would not be standing in the SLC staff elections. She thanked Ashley for her outstanding contribution to the Board and the CSAO committee and to the college and wished her well in the future. She also thanked Megan for all her hard work and Paul and Craig for their contribution to the Lanarkshire Board and noted their years of contribution to the SLC Board.

3. Apologies

3.1 There were apologies from Board Members Megan Cord, Jane McCartney, Jacqueline McGarvey and Paul O'Donnell.

4. Declaration of Interest

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 Review and 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 RSB to which they belong or are assigned. Ashley Hickford, the NCL Student President, also decided after Item 13 to leave the meeting.

5. NCL Committee Minutes and Reports

Note: 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. There was a Chairs' Committee meeting on the 23rd May and Remuneration Committee on the 6th June 2016. These minutes are confidential and included at Item 14.1. and 14.2.

5.1 The Chair of the CSAO drew the Board's attention to the breadth of the college's activity which is set out in the minute and commended the minute to Board Members as a very good insight to curriculum and student activity. She also drew the Board's attention to the committee's decision to write to John Swinney highlighting the impact that the Scottish Government's focus on young people has had on older learners and women returners and the overall culture of the colleges. The Board fully supported this and the invitation to come to visit the Lanarkshire Colleges. The Board noted the minute.

5.2 The Chair of the Audit Committee drew the Board's attention to the decision at 5.2 of the minute which was to send a letter to the SFC asking how they wanted to proceed with the request for ERDF repayment from the Scottish Government. Martin McGuire updated the Board and informed members that the SFC had agreed that 300k of underspent student funds from SLC could be retained in the region with NCL taking these funds to cover the shortfall in its allocation. This would save the use of net depreciation for this purpose and allow other funds to cover the ERDF repayment. The Board noted the minute.

5.3 The Chair of the Board reported on the RGP Committee and drew attention to the following: the Health and Safety training that would be organised with a presentation at the October meeting of the

Board and followed by a session at the strategic away day in January 2017, the NCL disciplinary policy will go out for consultation, the structural engineering reports on the Motherwell Campus that gave assurance there are no issues with the build and the constraints on funding for capital and for maintenance and the decision to write to the SFC about this issue. Ashley Hickford was reassured that students had been involved in the LGBT charter mark process in SLC and would be in the process at NCL. The Board noted the minute.

5.4 The Chair of the Finance Committee recorded the Committee's thanks to Moira Jarvie for agreeing to join the AMCOL Board. He noted the following:

- that the SFC had agreed that the 300k of underspent student funds from SLC could be taken by NCL
- that there would be a special meeting of the Finance Committee to discuss the budget and the Board Secretary will confirm the date
- that the NCL input to the SFC regional strategic funding body status process is now complete
- the paper prepared by the catering team for the committee would be updated for circulation to the committee

Action: The Finance Committee agreed in 11.2 of the Finance Committee minute to put the contract for the facility management service at the Motherwell Campus out to tender. No board member objected to the decision.

6. Board Minutes

6.1 Minute of the Lanarkshire Board 21st March 2016

The minute was approved.

6.2 Matters Arising

The Chair highlighted that National Pay Bargaining is now in the hands of the Employers' Association. The College Representatives are Stewart McKillop and Brian Gilchrist and the Depute College Observers are Angus Allan and Martin McGuire. There will be a standing item in the Chair's report on the Employers' Association. The Chair's meetings with individual Board Members which are part of the Board Evaluation process are ongoing and there are good ideas coming from this process which will be reported at the next meeting of the Board. The Corporate Parenting Strategies from both colleges are now in place as are the strategies required by the SFC for regional strategic body funding status.

Action: There will be a workshop in September 2016 on the "Board reflecting on the Board Evaluation" and the SFC Funding Model.

7. Students' Association Joint Report

7.1.1 Ashley Hickford gave the following report:

Student Elections: there had been the highest turnout of elections with 851 valid ballots received, an 11% turnout which was an increase of 560% on last year's elections. The paper ballot was very successful. The new President is Zorena Shanks (current VP) and the New VP is Daniel Moore (Sound Production student)

Essential Skills: the Student President participated in presenting essential skills from a student perspective and met the Minister for FE, HE and Science, Shirley-Anne Somerville MSP.

Regional Outcome Agreement: the NCLSA met SLCSA to discuss the section of the ROA that the students would input into and this was submitted to Derek Smeall and Angus Allan. Angus has helped by rewording this to fit with the rest of the ROA.

7.1.2 Ashley thanked the Board of Management for all of the support that she had received over the past year. She had thoroughly enjoyed being a Board member and wished everyone good luck in the future.

7.2 SLC Students' Association Report

The SLC student newsletter at Item 8.6 gives the update from the SLC student association.

8. SLC – Assigned College Report

8.1 Angus Allan presented the SLC Annual report to the Board. He informed the Board that a four page pared down report of key facts and statistics ,which he highlighted to the Board, had been designed to get the maximum visual impact and readability and there has been very good feedback on this. The Board noted the report.

8.2 Angus Allan presented the SLC Draft Corporate Parenting Plan to the Board. Section 56 of the Children and Young People (Scotland) Act 2014 identifies colleges as corporate parents. Colleges have a responsibility to safeguard and promote the rights and wellbeing of learners who are care experienced. This sets out how the college will develop as a corporate parent and how well the college has engaged with its duties under the Act. NCL has also developed a corporate parenting plan and this was presented to the CSAO Committee on the 22nd February 2016.The Board noted that both the Lanarkshire Colleges now had plans in place.

8.3 Stewart McKillop presented the Quality Enhancement report to the SLC Academic Board. This report updates the Academic Board on quality assurance and enhancement activity within the college and covered the following areas: Action learning pilot update (this was reported to the CSAO committee on the 23rd May and is recorded in the minute to this committee),Education Scotland visit on their aspect task on employability, Internal audit update for academic year 2015-16,Student engagement, Awarding bodies activity update, Quality Forum update and College involvement in quality enhancement. The Board noted the report.

8.4 Marketing Report to the Development Committee of the SLC Board of Management– Stewart McKillop presented this report which updates on the marketing and international activity. He informed the Board that the new rules on how many hours that can be worked are affecting international students and the college has appeared before the Scottish Parliamentary Audit Committee to raise this. He also informed the Board that he was confident that SLC would meet its credits target. The Board noted the report.

8.5 Keep Scotland Beautiful – the Board noted that SLC had gained a Gold Level Award for Environmental Excellence following an audit of the environmental quality of the premises.

8.6 The Board noted the Student Newsletter and the farewell article from Megan Cord. The Chair of the Board commented on the aptness of the quote from Aristotle Onassis cited by the outgoing student Vice President in his article: “It is during our darkest moments that we must focus to see the light. We must free ourselves of the hope that the sea will ever rest. We must learn to sail in high winds” .The Board was informed that Jack Smith has been elected as the new student president and will ,therefore, sit on the Lanarkshire Board and Melissa Mitchell has been elected as the Vice President.

9. Appointment of non- executive Board Members of SLC.

9.1 Stewart McKillop informed the Board that there would be two rounds of interviews for the non – executive members of the SLC Board and the new Board had to be in place by September 2016. Ministerial Guidance on appointments to Boards of Colleges sets out that the Lanarkshire Board has to approve the appointments to the SLC Board. A microsite had been set up for the recruitment process and the link to the site had been sent to Board Members in the email issuing the Board papers. The first round of interviews had taken place on the 13th of June and the second round would be on the 23rd of June 2016.

9.2 The staff and students had been consulted on the process and a letter to confirm this was included in the Board papers. The Board noted the letter.

9.3 The Board was asked to approve the names put forward in the paper. The appointments would be subject to meeting the conditions set out at Paragraph 2 of the paper. There are four males and two females and Stewart McKillop assured the Board that the next round of recruitment would fulfil the gender balance requirement of there being at least 40% women on the Board.

Decision: The Board approved the names on the list.

10. Chairs’ Report

10.1 Evaluation of the Lanarkshire Board: The Chair reported that this was ongoing and would continue over the summer. The process was well on track and was ahead of awaited guidance from Colleges Scotland.

10.2 The recruitment to the Lanarkshire Board for the two available places would take place in August/ September. The recruitment website has been updated.

10.3 National Committees: The Chair reported that CDN had held a number of workshops across Scotland and NCL had hosted an essential skills day at the Coatbridge Campus which the Minister Shirley-Anne Somerville MSP had attended. She gave her first speech as minister at this event

10.4 Events and Awards: The CSAO minute set out the breadth of the activity from both colleges .NCL had held a number of showcases which had been of a very high standard – e.g. a Liz Lohead play staged in the West End of Glasgow which Ann Stark had attended with the Chair and the Board was shown the photographs that had been awarded Best in Britain. The showcase events were commended to the Board and the Chair congratulated the students and the staff for creating the supportive learning environment that enabled this activity. Heather Urquhart updated the Board on the Annual Engagement Meeting on the 23rd May and feedback was that the review was positive across areas reviewed including learner

support, course team work, HE leavers and the relationship with the students' association. The report is expected soon.

Action: The NCL newsletter "The Natter" would be sent out to the Board. The report on the Annual Engagement Meeting will go to the next meeting of the CSAO Committee. (Board Secretary)

11. Update NCL Post two Year Merger Visit from the SFC

11.1 Sharon Drysdale explained to the Board that the SFC had been charged by the Scottish Government with conducting a six month and two year post merger review. The two year review had taken place in April- May 2016. The process was for NCL to carry out a self- evaluation which the SFC then triangulated with a number of other reports. The SFC then held a number of interviews with staff, students and Board members. The report has been written and has gone through a process of amendment and approval and should be available this week. The report is very positive and finds a well -managed merger against a background of considerable challenges.

Action: the report is to be sent to the Board when it has been received from the SFC.

12. SFC Funding Update

12.1 Derek Smeall and Angus Allan presented the ROA Regional Funding Allocation for 2016-17 to the Board. The Board was informed that figures presented in the funding pages will change as there will be some additional funding towards the national pay award but the activity targets will stay the same.

Decision: The Board approved the proposed allocation of activity targets and funding to each college and delegated authority to the Chair and Principal to sign the revised funding pages.

12.2 Funding Body Status for the Lanarkshire Board: Sharon Drysdale informed the Board that all SFC requirements for funding body status had been fulfilled and she had recommended to the SFC Chief Executive that funding status should be in place for the beginning of August 2016.

Action: The confirmation from the SFC of funding body status will be sent to the Board. (Board Secretary)

13. Remuneration Committee Key Principles

13.1 This paper was issued to all Board Members and it was open for all Board Members to consider the Key Principles for the Remuneration Committee. At this stage in the meeting the following elected to leave: Martin McGuire, Stewart McKillop, Paul Devenny, Craig Ferguson and all attendees to the Board meeting except the Board Secretary. Michelle Bingham had already left prior to this item because of child care issues.

13.2 Rosemary McKenna informed the Board that the Chair of the Board had raised the issue of training for the Remuneration committee with the Colleges Development Network (CDN) and the SFC. The CDN are looking at this issue and are in discussion about training and training materials and the Board Secretaries' Network and the Good governance Group will be further advised about this. The SFC researched the materials available and currently the Code of Good Governance and the SFC Guidance on Severance Schemes and Settlement Agreements are all that is available. So the Board Secretary had circulated three guidance documents to the Remuneration Committee which had also been circulated to the Chairs' Committee:

- Guidance Note on the Operation of Remuneration in Scottish Higher Education (Committee of Scottish Chairs August 2015):
- Illustrative Practice Note 1: Remuneration Committees (Committee of University Chairs March 2015)
- The Report of the Inquiry into Charity Senior Executive Pay and Guidance for Trustees on Setting Remuneration (NCVO April 2014)

13.3 A short summary paper setting out Remuneration Committee key principles from these guidance notes was drafted by the Board Secretary as a guide for the work of the Remuneration Committee and the Board is asked to approve these key principles subject to the following changes: to refer to the Board and not the governing body throughout, at Item 1- 4th bullet point to define senior staff (Principal and the SMT), Item 1- last bullet point to change this to reflect the fact that under ONS the salary bands of senior staff now have to be published in college accounts, a new bullet point is to be added which will provide a confidential route for concerns, at the additional guidance delete "measure by appraisal" at the end of the second sentence, Additional Guidance point 3 – change to reflect publishing of salaries under ONS and change references to the HE code to the Code of Good Governance.

Decision: The Board approved the Key Principles paper subject to the amendments noted.

14. At this stage Moira Jarvie, the NCL staff support member, left the meeting and Ashley Hickford, the NCL Student President, also decided to leave. For this item, the Principals and the staff Board Members were not formally entitled to vote because of their interest and had left. The quorum for this part of the meeting was, therefore, based on 50% of a maximum of 14 Board members entitled to vote and there were 9 non- executive Board Members present. All committee Chairs remained in attendance at the meeting.

Decision: The Board approved the recommendation from the Remuneration Committee.

15. AOB

There was no other business.

16. Date of the Next Meeting

The next meeting of the Lanarkshire Board will be on the 3rd October at 5pm in the Drumcarron Suite at the Cumbernauld Campus.