

Item 5.1 LB 27/03/17

Draft Minute

The Lanarkshire Board 12th December 2016

10.30 pm Drumcarron Suite, Cumbernauld Campus.

Present from the Lanarkshire Board: Linda McTavish, Kenny Anderson, Douglas Anderson, Jean Carratt, John Elliot, Keith Fulton, Moira Jarvie, Jacqueline McGarvey, Martin McGuire, Rosemary McKenna, Stewart McKillop, Paul O'Donnell, Zorena Shanks, Jack Smith, Ronnie Smith.

In Attendance: Angus Allan (SLC), Iain Clark (NCL), Sharon Drysdale (SFC), Alison Malcolm (SFC,) 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), Cathie Wyllie (Henderson Loggie).

1. Chair's Welcome

Linda McTavish welcomed Board members to this meeting of the Lanarkshire Board. The main items for this meeting were the minutes of the Board's committees with a recommendation to the Board to approve the 2015/16 accounts and financial statement, the Student Association reports, the Chair's report and an update from the SFC. The Chair thanked Board Members for attending this Christmas meeting and for all the support throughout the year in driving forward the work of the committees and the Board.

2. Apologies

2.1 There were apologies from Board Members as follows: Rose Harkness, Jane McCartney, Stuart Reid, Ann Stark. There were also apologies from attendees to the Board as follows: Brian Gilchrist (Assistant Principal NCL) and Heather Urquhart (Vice Principal NCL).

3. Declaration of Interest

3.1 There were no declarations of interest.

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.

4.1. CSAO Committee Minute 21st November 2016: There was nothing to report by exception. It was noted that the minute should be changed at 10.1 to read that good progress was being made to meeting targets. The Board noted the minute and the ROA report which was appended to the minute.

4.2 RGP Minute 29th November 2016: The Chair highlighted the following:

- new approach to the publication of Board papers whereby there is now a standing item on the agenda of the committee and the Board to agree which papers are published at each meeting.
- the award of the Facilities Management Contract
- the progress on self -insurance
- the new dates for the Board Strategic Event – 9th 10th February 2016

- the re-imposition by Tesco's of car parking restrictions at the Cumbernauld Campus

The Board noted the minute.

4.3 Audit Committee Minute 21st November 2016: The Chair of the committee informed the Board that there was nothing to report by exception other than the Audit Committee's recommendation that the accounts and financial statements for 2015/16 be approved by the Board. The Board noted this minute.

4.4 Chairs' Committee Minute 21st November 2016: The Chair highlighted the action at Item 4.2 of the minute regarding the update to that committee on the finance review which sets out that the Chairs' Committee requested that Martin McGuire put further interim measures in place while the issues identified are further reviewed by the Chairs' Committee on behalf of the Board. The Board noted the action being taken by the Chairs' Committee.

4.5: Audit Committee Minute 29th November 2016: Ronnie Smith drew the Board's attention to Item 5.1 of the minute which states that Wylie and Bisset had found that there were systems weaknesses in budgetary and financial control. The Chair of the Audit Committee stated that there were no surprises in their Budgetary and Financial Control Review. Issues had been picked up over the summer by the Chair of the Board and the Principal of NCL and these had been reported to the Board and its committees as set out in Item 5.1.2 of the Audit Committee minute. In summary, problems had been identified and clear action was being taken by the Board through its committees to deal with this as set out at Item 5.1.3 of the Audit Committee minute. The Audit Committee had approved the Annual Report from the internal auditors which gave their opinion that NCL did have adequate and effective risk management, control and governance procedures but that there was a weak conclusion in the budgetary and financial controls audit.

Decision: The Board noted the action being taken by the Board's committees and the approval of the internal auditors Annual Report by the Audit Committee. The Board approved the Audit Committee's Annual Report.

The Chair of the Board thanked the Audit Committee for the work being done. She also thanked Allister Gray of Wylie and Bisset, who was retiring at the end of the year, for his contribution to the Audit Committee. She and the Board wished him well in his retirement.

4.6 Finance Committee Minutes 29th November 2016: Kenny Anderson reported to the Board as follows:

- there would be consolidated accounts next year for NCL and SLC
- he reiterated to the Board that the Finance Review being considered by the Chair's Committee was solutions focussed
- the Finance Committee had approved the NCL Procurement Strategy
- the Finance Committee had also considered the draft external audit report and financial statements for 2015/16 and were also recommending that the Board approve them.

Keith Fulton requested that for clarity at Item 10.5 of this minute that the year 16/17 be put into the first sentence. The Board noted the minute.

5. NCL External Audit

5.1 Iain Clark presented the draft accounts and financial statements to the Board. He drew attention to Page 7 of the Financial Statements as follows:

- there was an operating gross deficit of £1,963K based on a total income of £54,508 million (this deficit is 3.6% of total income) and after non-cash pension adjustments of £1,146 k and allowable depreciation of £775k. The underlying deficit was £52k which is 0.1% of Total Income.

He also drew attention to P35 of the Financial Statements – the Balance Sheet as follows:

- NCL has £12.959 million of group reserves.

5.2 Linda McTavish informed the Board that she and Martin McGuire had spoken to the SFC about the financial situation and that the SFC had recognised the low price of ESF in the Lanarkshire Region and allocated an additional £500k for the region in a strategic grant. There would be further discussion with the SFC as their overall grant to NCL was now not covering staff costs. This was reported to the Finance Committee on the 5th September 2016 and to other meetings of the committee and to the last meeting of the Board. Stewart McKillop thanked them on behalf of SLC for the work done to address the ESF price in Lanarkshire.

5.3 Cathie Wyllie of Henderson Loggie informed the Board that the audit work had gone to plan, all the information required had been received and the audit opinion on the 2015/16 accounts is unqualified.

5.4 Keith Fulton asked that amendments be made to Page 21 of the Financial Statements to reflect his role as the Senior Independent Board Member and to add at P 22 that the non- executive Board Members are unpaid apart from the Chair.

5.5 Linda McTavish drew the Board's attention to the Risk Management Structure which was set out at P3 and to NCL's success at working with students from disadvantaged areas. There was some discussion on the presentation of financial information to the Board given the complexity of the accounts following the introduction of the new SORPs.

5.6 Linda McTavish thanked Cathie Wyllie, who was joining Scott Moncrief, for all her work, diligence and thoroughness over challenging times and she and the Board wished her well for the future. Cathie Wyllie, in turn, thanked the finance staff for making it as easy as it could have been to conduct the audits of the college and for all their help and assistance.

Decision: The Board approved the 2015-16 accounts and Financial Statements. It also agreed that there should be discussion on the format of financial information to the Board led by the Finance Committee at the Board's strategic event on the 9th and 10th February 2017.

6. Board Minutes

6.1 Minute of the Lanarkshire Board 3rd October 2016.

The minute was approved subject to amending 5.2 to read that Martin McGuire had not signed the agreement with SFC on ESF funding.

6.2 Matters Arising from the minute of 3rd October 2016: Keith Fulton who had chaired this meeting thanked the students for their contribution to the meeting (Item 6.1 and 6.2). He noted that the Chair would update on the Board evaluation and on Board recruitment (Item 8.2 and 8.3) at her Chair's Report, that the Finance Committee minute dealt with an update on the HMRC VS payments issue and that there had been an update to the Board on the Finance Review. The SFC confirmed to the Board that they still intended to hold workshops on the new funding model and would get dates for diaries (Item 9). They do intend to hold a Lanarkshire specific workshop. The Board was updated by the Chair

that there had been an improved offer to support staff that was being recommended by UNISON (Item 14).

6.3 Update from the SLC Board.

This item also includes the SLC report at Item 8 below.

6.3.1 Stewart McKillop informed the Board that because the SLC Board had been recently recruited it had not been possible to fully report from the meetings of SLC Board in its first cycle. However, reports had been made to each Lanarkshire Board committee in November 2016 and papers have now been sent to the Chairs of Finance and Audit. This will not be an issue from now on and papers will go from the SLC committees to the Lanarkshire Board committees and the minute from the Board will go to the Lanarkshire Board. There has been a reconfiguration of the Development Committee.

6.3.2 He asked the SFC about whether there would be an Education Scotland annual engagement visit and Sharon Drysdale confirmed that there would not be as this activity had not been contracted this year.

6.3.3 He recapped on some items reported to the RGP committee at Item 6.2: information had been sent to Brian Gilchrist re the gender action plan and the approach by both colleges was almost the same, SLC would look at the FESH health and Safety system, staff development days on the 19th and 20th December and NCL staff welcome and the TQFE would be aligned with NCL's. There would be a ministerial visit to SLC on the 23rd December 2016 and David Nicoll would talk to the SLC Board on the 7th February 2016 about the On-Board Guidance and Training.

7. Student Association's Report

7.1 NCL Student Association Report

Zorena Shanks presented her report to the committee and highlighted the following:

- There has been a very good response to the Be Engaged programme and the numbers of students claiming rewards.
- The Student Association is continuing to visit classrooms and is still regularly receiving requests.
- The volunteer elections have resulted in 28 voluntary officers being elected this year with every role being filled across all three main campuses. Each Volunteer Officer has achieved a Gold award in the Be Engaged programme and the SAINTS – volunteers from supported programmes- will also receive Gold awards. Voting was cast on-line via Moodle.
- The joint inclusion week with the Learner Engagement Team and the Marketing Team had gone well with a number of key organisations taking stalls.
- Fundraising: More than £470 was raised during breast cancer care week and the Events Management Students at the Coatbridge Campus raised over £700 at a Halloween fundraiser for the Beatson. The Nursing Students had raised £1,082 for Alzheimer's Scotland. The NQ Admin and IT class at the Cumbernauld Campus had raised £200 for the annual shoebox appeal and this class at the Motherwell Campus had raised £278 for the Basic Food Banks Charity. The Student Association supported Children in Need with a four-day fundraiser with a series of activities and student contributions which raised just over £1,000. The Students Association held a Come and Chillax event from the 22nd to the 24th November 2016 to promote positive Mental Health and Wellbeing.
- Both Students Associations have agreed to a regional festive netball tournament
- Students are engaging well with social media and those following have increased to 1,215.

7.1.2 Ronnie Smith congratulated Zorena on a busy year and on the level of fund raising asked why the voting turn out had increased and she said that this was really due to visibility across all the campuses and that students were more aware of the association and were now approaching it. Martin McGuire informed the Board that staff had also helped to man voting booths and had helped with the process so there had been good staff/ student collaboration.

7.2 SLC Student Association Report

Jack Smith highlighted the following from his report.

- The Student Association is continuing work on the NUS Framework for Effective Student Organisations and the SA operational plan 2016/17.
- Induction visits to classes are continuing
- The Freshers' week had been a great success
- All SA members have undergone LGBT training and are part of the overall work to get LGBT Youth Scotland Chartermark.
- There are now three elected student officers in post bringing the team up to five.
- Healthy Eating options are being promoted along with Inspire Catering
- There has been a high demand for SA hoodies.
- SA officers have undertaken social media training and the face book page has 81% more organic views and 17% on posts within the week from 27/09/16 - 3/10/16.
- The SA has undergone safeguarding training and the priority is to ensure that all students feel safe and valued regardless of their background.
- The SA have run a series of events: Health and Wellbeing event, Pink Friday for Breast Cancer, Prostrate Cancer and Epilepsy Scotland which raised £640.

7.3 The Chair thanked Zorena and Jack for their reports and congratulated them both on their activities.

8. SLC Report to the Board

Stewart McKillop has asked that this report be taken with the Board update at Item 6.3.

9. Chairs Report

9.1 Events and Awards

9.1.1 Graduation Ceremonies: The Chair informed the Board that the NCL awards ceremonies on the 4th November had gone very well. There had been two ceremonies one in the morning and one in the afternoon with 300 students at each ceremony. For the first time, the college had awarded fellowships and the awards were to Boyd Tunnock and Frank Mulholland. Their speeches had been very well received by the students. The Chair of the Board thanked those Board Members who has attended and for their contribution to a very successful event. SLC had also had a successful event but need now to move to an alternative venue given the size of the event.

9.2 NCL students and staff had attended the World Skills event in mid -November. The awards lists were included in the meeting papers. The Chair was delighted to report to the committee that the students from NCL had won 4 gold, 2 silver and 4 bronze medals and 2 high commendations. The college was, therefore, ranked No 1 with a total of 32 points. Martin McGuire congratulated the students but also the staff who had put in a lot of extra time to support the students through the awards process. Stewart McKillop congratulated NCL on this achievement and the Board added their

congratulations to the students and the staff. This was a great performance in the World Skills Event building on the successes attained in previous years. The college also had a female student of Mechanical Engineering as a delegate to the Euro Skills competition in Gothenburg – Betsy Crosbie-who was representing the UK. She had achieved a Medallion of Excellence in that competition and again the Board congratulated her and all concerned.

9.2 Update on the Evaluation of the Board

Linda McTavish informed the Board that the Board evaluation and development plan was on track to be submitted by the end of March 2017. This would form part of the Board's Strategic Event on the 9th and 10th February 2017.

9.3 Board Recruitment

Linda McTavish informed the Board that there had been two interview dates the 16th November and the 7th December 2016. There had been four applicants – three male and one female. Everything had been done to try to accommodate the female applicants to come for interview but she had unforeseen work commitments and had withdrawn from the process. The Chair informed the Board that Michelle Bingham had resigned on the 8th December 2016 and that there were now three places to fill on the Board. The three male candidates that had been interviewed were all very appointable and would bring excellent skills to the Board. Appointing three males following the resignation of two females would impact on the whole Board's gender balance which would shift from 50:50 to 60:40 but the best for the position would be appointed. It was also important for governance to have enough Board Members to sit on the Board's committees. The three names would be recommended to ministers for appointment and the new members introduced to the Board at its next meetings. The Chair informed the Board that she would look with the Chairs of the committees at the possibility of co-opting individuals with specific expertise which could also be a way of giving people Board experience.

9.4 Lanarkshire Board Strategy Event

The Chair of the Board updated the committee that the dates for the Board's Strategic Event would need to be moved from the 19/20th January to the 9th and 10th February 2017. The date of the 20th January would now be used for the required Health and Safety Training for the Board with a second follow up session on the 27th February at 5pm after the Audit Committee meeting. The Board noted this update.

9.5 National Committees

9.5.1 Linda McTavish updated the committee as follows:

- the Scottish Government review of agencies and the ministerial proposal that there be an overarching Board which would include the SFC within its umbrella.
- The spending review which is to be announced by the minister at the end of the week is likely to be very tight. There is also talk of three- year budgeting and that Boards should think about this. Multi-year budgeting is on the agenda for the Board's Strategic Event.
- There is also to be a comprehensive condition survey of the sector's estate.
- It has been confirmed that the apprentice levy is not new money but part of the block grant.
- There is to be a review of student support led by the CEO of Virgin Money – Jayne Anne Gadhia.
- PREVENT Strategy – the threat level is currently severe.

9.5.2 Linda McTavish also informed the Board that a small boy who attended the nursery at Cumbernauld had not survived a heart operation. One parent had been a student at the college and the other was a student. Nursery staff have been engaged in this situation and are giving ongoing support. The Board joined the Chair in stating their sadness to hear of this and their appreciation of the nursery staff's support for all concerned.

9.6 SFC Funding Update

The Board had already been updated about ESF funding at Item 5.2 above.

10. SFC Update

Sharon Drysdale updated the Board as follows:

- The development of the ROA for 2017-2020 is going well despite not having the spending review. The 16th December is the date for the SFC to receive the draft. The SFC will analyse and get back to the region by the 10th February.
- SFC will work closely with Education Scotland to develop the new evaluation framework which will include both NCL and SLC. Some work needs to be taken to develop how this will be reported jointly from the individual statistics from each college.
- The Scottish Government is undertaking a review of the Learner Journey. Work-streams will be set up as part of the review to look at specific aspects. This will report at the end of next year.
- The Enterprise Skills review and the proposal for an over-arching Board had been mentioned above
- There is a national STEM strategy consultation which is due to close at the end of January 2017.
- Stewart McKillop raised the issue of the impact of Brexit and the withdrawal of ESF funding. SLC had 13% of its activity funded through ESF and there will be a considerable impact for SLC and the for the sector. Sharon informed the Board that the SFC is currently scenario planning on the impact of Brexit.

11. Approval of Publication of Papers from the Board

11.1 The Board Secretary informed the Board that a standing item has been introduced to the committee agendas which is approval of the publication of committee papers to respond to the additional requirements in the Revised Code of Good Governance. The issue of publication and sector guidance had been raised with the CDN network of Board Secretaries and the Chair would also take this up with the CDN Good Governance Group. In the meantime, guidance was being developed by NCL to inform the authors of papers and the committees and this would be available for the next Board Cycle.

11.2 The Board approved the publication of the following:

- the Board Minute from the 3rd October.
- The Student Association Reports
- The tables of World Skills Awards

The Board noted that:

- The committee minutes will be approved by the committees at the next Board cycle.
- The accounts will be published by the Scottish Parliament and not by the Board.

12. AOB

Martin McGuire invited Board Members to the staff breakfasts.

13. Date of the Next Meeting

The next meeting of the Lanarkshire Board will be on the 27th March 2017 at 5pm in the Boardroom at South Lanarkshire College.