**Minute - The Lanarkshire Board –18th March 2024**

**Present: Face to Face:** Ronnie Smith,David Alves,Yvonne Finlayson, Keith Fulton, Moira Jarvie, Elaine Loudon, Amy McLoughlan, Christopher Moore, Barbara Philliben, Catherine Pollock, Joanne Rosie, Dave Winning

**In attendance: Face to face:** Iain Clark, Ronnie Gilmour, Diane McGill, Penny Neish and Matthew Smith.

**Via Zoom:** Ann Baxter, Anne Doherty, Paul McGillvery, Kellyann McGraith, Elaine McKechnie, Stella McManus, Angela Pignatelli and Kayleigh Wither

**1. Chair’s welcome:** Ronnie Smith welcomed everyone to this meeting and thanked them for attending.He said that since there was a lot on the agenda for the meeting, he would appreciate reporting by exception on the minutes and standard reports.

**2. Apologies for Absence:** There were apologies from Paula Blackadder, Paul Hutchinson, Derek Hamill, Fraser Hainey, Tarryn Robertson and Elaine Turkington.

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

**4. Forward Plan - Partnership with UWS**

**4.1** Christopher Moore updated the Board on the partnership discussions with UWS to form an undergraduate school at NCL. The proposal is to have 145 places initially which will be at NCL as opposed to UWS at the start of a planned undergraduate journey from school to college and then to university. This will be for six degree courses which will include Social Science, Business and Marketing, Cyber Security, Digital Development and Dental Nursing. This is against a backdrop of there being lower numbers of graduates in Lanarkshire.

**4.2** The students will have full access to the UWS facilitiesas well as accessing those at the collegeand the undergraduate school will allow students to experience and pursue a university degree but within a college environment. This arrangement will result in c £1million extra funding to the college for the 145 places from UWS and through this collaboration UWS in turn can address issues of retention with a number of students who will benefit from the college environment. There would be no cost to NCL in establishing the undergraduate school. There are already5 applications for the courses.

**4.3** This is a unique arrangement so farbut there is interest in other quarters and there will be a meeting with Queen Margaret University in the near future to discuss the opportunity for a Performing Arts course under similar arrangements.

***Decision: The Board approved the establishment of an undergraduate school at NCL in partnership with UWS.***

**5. NCL Committee Minutes**

**5.1 CSAO 19th February 2024:** Dave Winning had nothing additional to report commended the CSAO minutes to the Board. There were no questions from Board Members.

**5.2 ARC 19th February 2024:** It was noted at 10.2 of the ARC minute that Yvonne Finlayson raised the issue of how the risks of the financial position were being reflected in the risk register. The external financial environment was driving the financial problems being experienced by NCL and the college sector as a whole and a major part of this is staff costs which due to national bargaining are out with the colleges’ control. It was agreed that Matthew Smith and Iain Clark would look at this and update the narrative in the risks to enhance the impact of external factors. Yvonne Finlayson reported that this had been done. Christine Pollock had agreed to participate in the forthcoming tender process for the selection of the Internal Auditors for the next 3 years.

**5.3 RGP Committee 26th February 2024 :** Keith Fulton drew attention to the nursery update at section 5.2 and at section 8 that the necessary permissions were being sought from the Council to demolish the Coatbridge Nursery.

**5.4 Finance Committee 26th February 2024:** There was nothing to report by exception and the Finance Committee minute was also commended to the Board

**5.5 Chairs Committee 31st January 2023 :** Ronnie Smith said that there had been a special meeting of the Board on the 5th February which had received the same information as the Chairs’ briefing on the 31st January 2024.The Board had, therefore, considered the issues set out in the Chairs’ Minute.

**6. SLC Committee and Board Reports**

**6.1 SLC Committees Update**

**6.1.1 SLC ARC Committee:** Elaine McKechnie informed the Lanarkshire Board of the following:

* The risk register continues to be monitored frequently by College Management and risks are both increased and decreased to reflect current operating environments, with mitigations identified where appropriate.
* The audit recommendation monitor tracks the progress of recommendations from the 2023 internal audit work undertaken and there are no concerns in being able to satisfy each recommendation in due course.
* The Pension contribution audit has acknowledged a failure in enacting required changes to employee % contribution rates for part time staff, but the College has a plan in place to resolve.
* The Governance Rolling review has been submitted to Henderson Loggie and a timetable of meetings with Board members is awaited.

**6.1.2 SLC Finance Committee:**

**6.1.2.1** Elaine McKechnie informed the Lanarkshire Board that the SLC Finance Committee were advised of a financial modelling exercise that has been undertaken to look at the potential financial position for 2024/25 following the preliminary budget announcements from the Scottish Government in December 2023. With a potential 4.7% cut in core grant funding (circa £600k reduction), the College has prepared projected financial results for 2023/24 and 2024/25 in the form of an income statement, a statement of financial position and a cash flow statement. The Committee were advised that the report is based on assumptions and the College expects to gain greater insight when the final budgets are committed in March 2024.In the event of taking no strategic action to increase alternative income streams and realise cost efficiencies, the College would expect to have an operating deficit of £1,289 million and cash of £780k which is much reduced from previous years. These results indicate continuing deficits and raise concern over cash flow, largely owing to funding cuts, pending settlement of pay awards and inflationary pressures on our cost base which are largely outside of our control. SLC informed the Committee of its intention to prepare a full business plan for the next cycle of SLC committee and Board meetings, which will set out its strategic priorities over the next two years.

**6.1.2.2** The SLC Finance Committee is continuing to make progress on procurement process and procedure and is currently working towards refreshing all the procurement procedures, processes and templates and will be delivering training to all staff in due course. The SLC Finance Committee was advised to note the introduction to the Committee of the on-going work of the College to address the aim of achieving a net-zero climate emissions by 2045. This is based on a ‘roadmap’ which was established for colleges to have a strategic sector-wider approach to tackling the climate emergency. The SLC Finance Committee were advised to note that work is currently underway to update the College Finance Regulations.

**6.1.3** Angela Pignatelli informed the Lanarkshire Board that the SLC Curriculum, Quality and Development Committee noted key points as follows:

* The excellent work of the Student Association.
* Achievement of the credit target and working within the upper threshold of the 2% tolerance.
* The SQA Systems Verification visit with the overall result of High Confidence.
* The good internal audit on quality assurance.
* The Foundation Apprenticeship Completer Destinations for 2022-23
* The new Marketing and Communications Manager has started and the success of open evenings and social media strategies
* To note the complaints quarterly report.
* The HR System is being prepared to go-live. Parallel payrolls are now taking place, commencing with the February monthly payroll.

**6.1.4 HR Committee:** Stella McManus highlighted thatthere was a plan to address the pension issue resulting from SLC not implementing a change to employee pension contribution rates in 2015 which affects part-time staff. This will be investigated to ascertain the actual numbers affected. It was also noted that there is an on-going threat of Strike and Action Short of Strike from the Trade Unions.

**6.2 Board Update:** Stella McManusthanked Paul Hutchinson who has stepped down from the SLC Chair and the Lanarkshire Board Chair for their support. There is on-going Board Recruitment which will come to the Lanarkshire Board in due course.

**6.3 SLC Chair Recommendation:** Paul Hutchinson has stepped down from being the Chair of the SLC Board. The SLC Board is recommending to the Lanarkshire Board that Douglas Morrison, who is **c**urrently Vice Chair of SLC and member of FRC and HRC Committees and currently also Chair of the Remuneration Committee, is appointed as the new Chair of the SLC Board. Douglas Morrison acts as the Deputy CEO at Construction BE-ST, Scotland's national innovation centre for the built environment. He has worked in tertiary education for 16 years and has an interest in digital learning, innovation, environmental issues, and equity and inclusion. He is a member of the Young Academy for Scotland and sits on the education committee at the Royal Society of Edinburgh and the Climate Emergency Skills Action Plan Implementation Group.

***Decision: The Lanarkshire Board approved the appointment of Douglas Morrison as the Chair of the SLC Board.***

**7. Lanarkshire Board Minutes:** The minutes of the Lanarkshire Board 11th December 2023 and the Minute of the Special Meeting 5th February 2024 were approved subject to the correction of the attendance list for Moira Jarvie.

**8. Chairs Report**

**8.1.1 Chair’s Regional Overview:** The position remained the same on the dissolution of the RSB’s with no further progress at this juncture although the direction of travel is still dissolution.

**8.1.2** Ronnie Smith informed the Board that he would be conducting one to one discussions with each of the Board Members as part of the Lanarkshire Board’s 2024 self-evaluation. Penny Neish would be in touch with Board Members to set up meetings.

**8.2 National Committees:** Ronnie Smith said that there was little to report from the Colleges’ Scotland Board and Committees. He felt that there was a lack of a vision that matched the challenge that was being faced by the college sector in Scotland and the need for innovative and “big idea” solutions.

**8.3 TU Nominations to the Board:**

**8.3.1** The legislation requires that the unions set out a process that applies across both colleges to elect one TU representative from each college and that those representatives will be one from the academic staff and one from the professional staff. The process should be approved by the Lanarkshire Board according to the guidance agreed by the Scottish Government (SG) Good Governance group.

**8.3.2** Keith Fulton raised an issue with this approach taken by the Scottish Government. The Lanarkshire Board is the Regional Strategic Body but it is also the Board of NCL. This arrangement puts only one TU nominee on the Lanarkshire Board from NCL. SLC on the other hand will have two TU nominees and a potential third on the Lanarkshire Board. Moira Jarvie said that she had raised this point with Unison. SLC have appointed the teaching member to their Board and clarification is being sought on paid time to undertake this role. This is a national issue and it has been raised in other colleges.

**9. Update from College Employers’ Scotland (CES):**

Keith Fulton referred to the paper that had gone to the RGP Committee as follows:

**Lecturing Staff**: The National Joint Negotiating Committee (NJNC) – Side Table (Lecturing) most recently met on 25th January 2024. The management side confirmed to the EIS-FELA that the current full and final three-year pay offer (£2,000 for Academic Year (AY) 2022/23, £1,500 in AY 2023/24 and £1,500 for AY 2024/25 on all lecturing scale points) remains the same and advised that the management side was not in a position to change that position. The staff side expressed its disappointment that there was no increase to the offer and advised that it would consider when and what action will be taken following the recent ballot results in favour of strike action and Action Short of Strike (ASOS), including a resulting boycott.  The next scheduled meeting is 28th March 2024, although it is anticipated an earlier meeting on pay will take place.

**Professional Staff:** On 5th December 2023, the management side requested confirmation from the staff side on whether the full and final offer had been shared with UNISON and Unite members following confirmation from GMB that it would be balloting its members. UNISON and Unite confirmed that the full and final offer had not been put to formal ballot of its members. Following further discussions, the management side agreed to the staff side request for a joint meeting with the Minister. It was also agreed that whilst awaiting a meeting date, work would take place offline between the Joint Secretaries on agreeing a suggested agenda for the meeting from the staff side in order to highlight to the Minister areas where there is an impasse.

UNISON subsequently wrote formally to the Director of CES and the Management Side Joint Secretary requesting:

* *Year 1 is removed from the negotiation with the sum of £2K paid to account for this*
* *If this option (above) is not acceptable, please counter with an employer proposal of what amount you would be willing to pay before Christmas 2023.”*

Management offered to continue informal discussions between the joint secretaries on the proposal, however, making it clear that the £2k offer for Academic Year (AY) 2022/23 was contingent on a two-year pay deal with £1.5k in year-two (AY 2023/24).

**Job Evaluation:**The National Joint Negotiating Committee (NJNC) – Side Table (Support) met most recently on29th January 2024, to discuss Job Evaluation.  Both sides had previously agreed that in expressing willingness to explore the framework of a revised Collective Agreement, any discussions would be exploratory and not binding on either side.

**10. Regional Outcome Agreement (ROA):** Ann Baxter informed the Board that the ROA had been submitted to the SFC on the 11th December 2023 and published on the 4th January 2024. The SFC are reviewing the format for the ROA so the next one for 24/25 will be in a new format.

**11. Regional Risk Register:**

**11.1. Matthew Smith updated the Board as follows:**

* There is a total of 20 Strategic Risks logged as at Regional Strategic Risk Management Group (RSRMG) on 22 January 2024.
* There is no change to 18 risks. Risk P - "Loss of data or ICT service due to cyber-attack" moves up to a risk impact of 3 (from 2) following the JISC infrastructure review. The Infrastructure Review was carried out in December and the report (36 pages) was received recently. The report highlighted the lower than expected staffing to users ratio at NCL, especially in the event of a cyber-attack, and while this is not something we didn’t already know, we have also adjusted risk O – “Inability to invest in the development of management systems, technology and the necessary level of ICT support staff required to adequately support and maintain them” accordingly. A paper will go to the EB shortly and further updates will be available to the ARC in the next meeting cycle.
* Global supply chains have improved, energy costs are being monitored and a carbon management committee has been established.

There is a full report in the minute of the ARC Committee from 19th February 2024. The next meeting of the regional risk committee is Monday 29th April 2024.

**11.2** Yvonne Finlayson raised the issue at the ARC of how the risks of the financial position were being reflected in the risk register. The external financial environment was driving the financial problems being experienced by NCL and the college sector as a whole and a major part of this is staff costs which due to national bargaining are out with the colleges’ control. Matthew Smith confirmed that the risk register had been adjusted to reflect this point.

**11.3.** Ronnie Gilmour reported that there had been a cyber- attack the previous Friday and a number of emails had been received which was part of a sophisticated attack to do with coupons. The link was closed down within 10 minutes and there was no breach of data. Both colleges shut this assault down very quickly and shared information about our experience nationally.

**11.4** Keith Fulton asked that the costs for the replacement or repair of the cladding at Motherwell Campus be updated in the risk register . KF reported that discussions are continuing between Burness Paul, Galliford Try and their sub-contractors. BTO have advised of another three- month delay as attempts are made to get the relevant parties around the table. As regards costs to date, there has been no major change: only 27% of all costs to the college are legal ones; the balance being incurred in connection with safety issues, netting etc. Scaffolding around the netting has been taken off and the netting is being checked regularly. The netting and rope will need to be replaced after 6 months and the cost of re-roping is estimated at £1,500 which would come from the Capital Maintenance budget. Alastair Rennie asked if the costs of the mediation route be estimated. Keith Fulton said that equal shares could be the way forward.

**11.5** The Board was informed that Donaldson place at the Kirkintilloch Campus had been sold. There were ongoing discussions at ministerial level on the amount that colleges could retain from asset sales. The sum is currently £500k and a ratio of 70% to the college and 30% to the SFC is being discussed.

**12. NCL Executive Board Restructuring Update:**

**12.1** A partial restructure of the Executive Board of the College was proposed as follows:

* The creation of a new position – Deputy Principal for Professional Services.
* The number of members who will report to the Principal will reduce from 5 to 4.
* The removal of the Chief Transformation Officer (CTO) and Chief Finance Officer (CFO) roles.
* The reallocation of responsibilities for the maintenance of the Regional Risk Register from the Chief Transformation Officer to the College Registrar.

**12.1** There have been no successful applications for the new post of Deputy Principal for Professional Services at this time, and in the meantime the following appointments and new arrangements have been made:

* An interim post of Deputy Principal. Recruitment activity for the permanent position of Deputy Principal will resume in due course.
* Creation of a new position - Chief Resource Officer, an ex-officio member of Executive Board.
* Additionally, following the resignation of the Dean for Staff Development Academy, this position will not be replaced. Line management responsibility for the Staff Development Academy will be assumed by the Dean of Learning & Teaching.

**13. Lanarkshire Colleges finances update**

**13.1** The Board was referred to Section 8 of the minute of the Finance Committee on the 26th February 2024 which is appended as Appendix 1 to this minute for ease of reference. The following additional points were highlighted to the Board:

* There is no formal response as yet from the SFC to the NCL Forward Plan and Ronnie Smith had commented at the Finance Committee about the apparent lack of urgency from the SFC .
* There was an advanced funding agreement with the SFC which would act as a cash flow buffer until June 2024.
* The SFC Learning and Teaching budget would remain at the same level with further meetings with the cabinet secretary. There were elements that would be likely to be cut including the Flexible Work Force budget. There would be another real cost cut of £56 million for the sector. There were no guarantees as to whether the increase to the employers’ costs for the teaching pension would be fully funded.

**13.2** Elaine McKechnie updated the Board saying that the Mid Year Return would be submitted by the 29th March 2024, Audit Scotland would be in SLC in the following week and there were business planning meetings being held with staff.

**14. Student Association Reports**

**14.1 NCL Student Association Report:** Amy McLoughlan presented the NCL Student Association Report which is published with the meeting papers and highlighted the following:

* Student well- being activities
* Chill out spaces where the Student Presidents will be based to facilitate access
* Routes to Work Collaboration
* Student Thrift shops in visual areas
* A variety of new clubs including badminton

**14.2 SLC Student Association Report:** Kayleigh Wither presented the SLC Student Association Report which is published with the meeting papers and she highlighted the following**:**

* Fashion show
* Hosting drop- in events
* Free soup and sandwiches and breakfasts for students
* SFC awards
* At Christmas hot chocolate for students
* Supporting LGBTQ plus activities – flags and tablecloths – Purple Friday
* Talk and Chat Sessions
* Brit Challenge 24th January 2024

**15. Principals’ College Update Reports**

**15.1 SLC Update: Stella McManus updated the Lanarkshire Board as follows:**

* The Lanarkshire Regional Strategic Body has no timeline as yet for dissolution but after discussions with the Regional Chair it was felt that establishing a regional group would be beneficial. Ronnie Smith said that the Transition Group could be re- convened at a regional level in the first instance.
* SLC is working through financial modelling and will present the business plan and detail to the SLC Finance Committee in May 2024 before going to the Board for approval in June 2024.
* SLC recognises that a cohesive support to culture change is needed and is proposing an employee engagement model.
* The external environment relating to the pay disputes is very challenging, and detail of the national talks are provided. As the SLC Board is aware, there is a sector approach to managing ASOS, where 90% of colleges have written to academic staff regarding making pay deductions for non-resulting.
* The Principal has engaged in several meetings, one with South Lanarkshire Council and the Head of Economic Development to further cement how they can work together.
* It had been a pleasure to have graduations again and to attend the NCL Graduation

**15.2 NCL Update: Christopher Moore informed the Board as follows:**

* There had been two visits from Education Scotland and the feedback was very positive with no areas for remedial action and that there was a notable improvement across all areas subject to inspection.
* Christopher Moore referred to a presentation he had attended that highlighted the linkage between financial health and other aspects of student wellbeing, including mental health. These topics are closely inter-related and it is recognised that many students, indeed many people, do not know about money management. There has been a new resource developed with the Citizens Advice Bureau experts coming to each campus for one day a week to help students deal with financial issues. However, more can be done and a number of staff have agreed to join a group to look at financial health and mental health and to map out what the college can do in terms of training and other actions that can help students and staff.
* Anas Sarwar would be visiting the college tomorrow and would see the Dental facilities and the advanced manufacturing hub.

**16. Approval of Publication of Papers from the Board:** The Board approved the publication of the agenda, the minute, the student association reports and the SLC Principal’s report.

**17. AOB:**

**17.1** Matthew Smith spoke to say that he had joined Motherwell College in 1990 and had very much enjoyed his work at the college and with his colleagues. He thanked the Board for their support and the Board, in turn, wished him all the best in his retirement.

**17.2** Ronnie Smithalso thanked Paul Hutchinson,who had a new job working with a company that was dealing with logistics for the Los Angeles Olympics, for his contribution to the Lanarkshire Board.

**18. Date of Next Meeting:** The scheduled date of the next meeting of the Lanarkshire Board is Monday 10th June 2024 at the Motherwell Campus.

**Appendix 1 Extract from the Finance Committee Minute 26th February 2024**

**8. Forward Plan Progress**

**8.1** The Forward Plan presentation set out key financial points as follows:

* The current forecast cash deficit for NCL is c£4.5m at July ‘24.

**Key dimensions of the forecast deficit:**

* Group UOP losses over last few years – 21/22 (-£1,432k), 22/23 (-£3,142k), 23/24 projection (£957k) – Total (-£5,531k)
* Above losses inclusive of Unfunded VS Schemes - 21/22 (£1,145k), 22/23 (£1,286k), 23/24 (£268k to date) – Total (£2,699k)
* Above losses inclusive of £995k Credit Shortfall repayment for 22/23.
* Above losses inclusive of unaffordable estimated backdated Pay Rises of £3,106k from September 2022.
* Above losses exclude cash repayment of £1,608k ESF Funding due to non-delivery of Core Credits in 20/21
* SFC has confirmed the claw-back for credit delivery shortfall to be £994,994 and has asked us to present any mitigations to them by Feb 9th 2024.

**8.2** The mitigations presented to the SFC for the Credit Shortfall included:

* The effect of the cost of living crisis – young people were staying on at school or taking up jobs. Lanarkshire has had the highest level of employment since 1972. This, in turn, has impacted on the numbers of students coming to college.
* The entry qualifications to get into university became such that it was easier to get into some universities than into college. University retention rates show that there are high levels of students not completing their courses. However, there is a marked rebound this year in the number of applications to the college.

**8.3** Iain Clark highlighted the uncertainties in the external environment that have the potential for a big impact on the NCL and the regional finances: e.g. pension contributions for the teaching staff and whether these will be funded or not, unfunded pay rises from national bargaining (each 1% in pay rise translates to c£400k in cash to be found for NCL), a 1% cut in GIA again is c£400k. The external factors are reflected in the risk register.

**8.4** Iain Clark advised that he and Lynn MacKenzie (Financial Controller) had met with Wilma MacDonald of the SFC earlier to go through the financial assumptions within the Forward Plan, and the NCL financial position including the cash flow position, with the SFC advising as to the completion of the upcoming cash flow submission. I Clark advised that there was no decision on the Forward Plan as yet and Ronnie Smith advised that he had heard nothing from Karen Watt either, and he shared concern as to the lack of urgency shown by the SFC. I Clark commented that the big impact on cash is now more likely to hit NCL in June as opposed to March 2024 because of delays to the backdated pay awards agreement, although there was no certainty. Ronnie Smith said that any monies given in advance by the SFC to alleviate the cash flow problem only store up the problem for the future and it was key to have the Forward Plan implemented. Ann Baxter has submitted the paperwork for the new VS scheme which was proposed in the Forward Plan and approved by the Board. Moira Jarvie said that staff are worried and distressed and Ann Baxter said that it was difficult to communicate effectively at the moment because of the uncertainties and the impact they could have on the financial position. Ronnie Smith raised the issue of the financial position where NCL is continuing on to deliver education to its students with large financial deficits. The Audit Scotland position is that the college is included in the public sector through its ONS classification and that the SFC/ SG can address the financial position through policy instruments. Therefore, the college is not insolvent. The position re OSCR should be checked with Audit Scotland. Ronnie Smith said that Colleges Scotland should be raising this but at the moment there was no coherent voice on this. Stella McManus informed the committee that the national Tripartite group which included Graeme Dey was looking at the potential for colleges to retain more of the money from the sale of assets – the figure is currently £500k.