

Item 5.1 LB/1/10/18

Minute

The Lanarkshire Board 18/06/2018

5pm Boardroom Motherwell Campus

Present from the Lanarkshire Board: Linda McTavish, Kenny Anderson, Jean Carratt, John Elliot, Keith Fulton, Rose Harkness, Moira Jarvie, Jacqueline McGarvey, Martin McGuire, Rosemary McKenna, Julie MacKenzie, Stewart McKillop, Daniel Moore, Matthew O’Hare, Professor Robert Pyper, Stuart Reid, David Winning.

In Attendance: Iain Clark (Vice Principal -NCL), Sharon Drysdale (SFC), Brian Gilchrist, Diane McGill (Board Secretary -The Lanarkshire Board), Penny Neish (Assistant to the Chair of the Lanarkshire Board), Jason Quinn (NCL), Heather Urquhart (Vice Principal NCL).

Presentation

There was a presentation to the Board on the PREVENT Strategies by Brian Gilchrist. This presentation set the PREVENT strategy which promotes safeguarding in context with the overall CONTEST initiative and with the other strategies (PURSUE – stopping terrorist attacks – PROTECT –strengthening against terrorist attacks – and PREPARE – mitigating against terrorist attacks. The presentation gave statistics about the PREVENT Initiative and highlighted that currently in Scotland the issue is more from the extreme right and that there overall are much smaller numbers that have been engaged in the PREVENT Initiative. Brian Gilchrist is the responsible officer for NCL and also set out the actions taken in the college to deliver on this initiative.

1. Chair’s Welcome

Linda McTavish welcomed Board members to this summer meeting of the Lanarkshire Board. She made the following introductory remarks:

- The section 22 report had been discussed by the Parliament’s Audit and Post Legislative Committee (PAPL) on the 7th June 2018 and she, Martin McGuire, Derek Smeall and Iain Clark would give further evidence to the PAPL committee on the 28th June 2018.
- The Auditor General’s Scotland Colleges 2018 report was due to be published this week on the 21st June 2018
- She thanked Board Members for meeting with her as part of the Board evaluation exercise to discuss their personal development plans and their partnership networks and for filling in the forms for this part of the evaluation.
- She informed Board Members about the student photography exhibition that was on display downstairs at the Motherwell Campus.

2. Apologies

2.1 There were apologies from Board Members as follows: Andy Kerr, Paul O’Donnell and Ann Stark.

2.2 There were apologies from the following attendees; Angus Allan (Deputy Principal SLC) ,Keith McAllister (Head of Finance SLC) and Derek Smeall (Vice Principal NCL).

3. Declaration of Interest

3.1 There were no declarations of interest.

4. 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.

4.1. CSAO Committee Minute 21st May 2018: Dave Winning asked if there were any questions on the draft minute from the Board. It was noted that at 5.2 of the minute it should be clear that SLC is South Lanarkshire College and not South Lanarkshire Council and that Angus Allan is the SLC member. This will be amended in the minute. There were no questions and the Board noted the committee minute.

4.2 Audit Committee 21st May 2018: the following points were drawn to the attention of the Board.

4.2.1 Paragraph 9.1 – the PAPL Committee had taken evidence from the Auditor General on the Section 22 reports on the 7th June 2018. As noted above, further evidence would be given to the committee by the Chair, Martin McGuire, Derek Smeall and Iain Clark. The college was preparing for this session with the PAPL Committee. Iain Clark clarified that there was no issue with NCL and its payment cycle to creditors as had been raised at the PAPL Committee and as in the Auditor General's report. NCL had moved from a fortnightly cycle to a monthly cycle but creditors were all being paid within 30 days. The issue of the original due diligence on the former Coatbridge College would come up and the subsequent due diligence report commissioned by the Board.

4.2.2 The Chair had met with the Auditor General after the presentation to the CDN Board Member Conference to clarify certain points with her following that presentation including the fact that a loan made by the SFC to NCL to assist with cash flow was an advance on the next year's funds and there was no liability. She had invited the Auditor General to the next strategy day.

4.2.3 Paragraph 9.3 - there was discussion of the timetable for the approval of the 2017-18 consolidated accounts. The Chair confirmed that she had spoken to the Clerk to the Board at SLC and their Board would be moved to the 27th of November. The Audit Committee would be moved to the 3rd December 2018, there will be a special meeting of the Finance Committee on the 6th December and the Lanarkshire Board will be moved to Thursday the 13th December 2018.

4.2.4 Paragraph 12.2- The Audit Committee recommended to the Board that the name of the Committee should be changed to the Audit and Risk Committee.

Decision: The Board agreed the recommendation to change the name of the committee to the Audit and Risk Committee.

4.3 RGP Committee 4th June 2018

4.3.1 Keith Fulton drew the Board's attention to Item 5.2 of the RGP minute. The Board was informed that this matter of retention monies due had been concluded with the college accepting the offer of settling on a sum £158k plus VAT as approved by the RGP committee. The college had insisted that this only covered issues that were known about at the time of signing and that any other issues that arose would still be covered by the twelve year indemnity which is due to end in 2020. This was as well because of the incident noted at paragraph 7.1.2 where cladding had subsequently fallen off the building at the Motherwell Campus. The college would be covered for the repair and the Board could see that the college had acted swiftly and all the correct procedures had been carried out.

4.3.2 Keith Fulton also drew the Boards attention to Item 6.1.3 which sets out that the EIS have signalled their intention to raise a formal dispute on the model of delivery for the national agreement on core terms and conditions for teaching staff.

4.3.3 He also drew the Board's attention to Item 6.1.4 which gives an update on national bargaining as follows:

- There has been no agreement reached in relation to the lecturing staff pay award for 2017/2018 and 2018/2019, although the final offer made by the management side was rejected by the EIS who remain in dispute. A further NJNC Lecturer Side Table took place on 31st May.
- Similarly, there has been no agreement with the support staff in relation to the 2018/2019 pay award, although there has been some movement. Management's offer reflects current public sector pay policy, which is a 3% increase for all posts below £36,500, which represents the vast majority of support staff.

The Chair of the committee, who attends the Colleges Scotland Employers Association meetings, informed the Board that the key issue was affordability. Without the SFC redistributing sector funds already allocated, even the employers' offer is an unaffordable one to several colleges, including those in Lanarkshire. The proposal from the unions exacerbates this position considerably.

The issue of redistribution of funds and the level of the settlement is critical to NCL having funds to cover pay awards and there are key governance issues for the Board depending on the outcome of the discussions.

4.4 Finance Committee Meeting 4th June 2018

The Chair of the Finance Committee drew the Board's attention to the following items:

4.4.1. Paragraph 5.1.2 Business Scenario Plan. Martin McGuire reported that all possible options had now been examined in the scenario plan. He raised the prospect of NCL being given a cash loan by the SFC which would be paid back over a 3-4 year period. This is what the SFC would prefer to do. This does not address the underlying funding issues for Lanarkshire. It also does not address the issue of unfunded cost of living rises resulting from national bargaining. The college has worked hard to reduce costs through savings and from the VS scheme and would be in a position to move into surplus in two to three years but it will be put back into deficit from these unfunded costs resulting from national bargaining. Martin McGuire noted that the colleges that had not harmonised contracts were having the

gap funded whereas NCL, which had harmonised quickly as part of the merger process, was not being fully funded and that there is an inherent unfairness in this approach.

4.4.2. Paragraph 5.1.3 Finance was raised with the SFC during the strategic dialogue visit on the 23rd May 2018. The theme of financial sustainability had been highlighted in the background evidence and during the meeting with board members and senior staff. Stewart McKillop advised that funding model was on the agenda at the Principals meeting next week at Colleges' Scotland.

4.4.3. Paragraph 5.2 The Chair of the Committee has finalised the remit for the Regional Finance Reporting review and has had discussions with the SFC for funding to cover this work and discussions with the Glasgow Board about mutual benefits for some regional finance arrangements to be considered on a broader basis. Sharon Drysdale commented that this could be a proposal for a strategic funding grant.

4.4.4. Paragraph 5.3 AMCOL Board and Nursery Review The issue of the living wage for those in the nurseries was raised by both Martin McGuire and Moira Jarvie. After discussion it was agreed that this is a material issue and the sub-committee that had been looking at nursery provision would be reconvened as soon as possible to discuss this matter.

4.4.5 Paragraphs 7.1.1, 7.1.2, 7.1.3 and 7.1.4. The Chair noted that the college currently forecasts an "underlying operating position" close to break-even in percentage terms for 2017/18 and excluding the unfunded Cost of Living provision would be even closer to break-even. The Chair further stated that there are good achievements in the year to date figures for the SFC grants, education contracts and tuition fees income lines which are all currently favourable to budget. This again highlights the impact of unfunded costs from national bargaining.

4.4.6 Paragraph 7.4.2 – The Board noted that OSCR had received a copy of the Section 22 report and had filed it in their notifiable events file.

4.4.7 Martin McGuire raised the governance issues as Board Members and trustees of a charity in pay rises being awarded which were unfunded and this was echoed by Keith Fulton. The Chair of the Finance Committee referred to the fact that the Finance Committee and the Board has noted but not approved the 2017-18 budget and that this very important issue is being kept under review by the RGP and Finance Committees and that this continues to be raised with the SFC through the business scenario plan and with Colleges' Scotland through the national bargaining process. The college and Board is very actively seeking a resolution to this issue.

5. Board Minutes

5.1 Minute of the Lanarkshire Board 26th March 2018.

The draft minutes of the last meeting of the Board on the 26th March 2018 were approved.

5.2 Matters Arising

There were no matters arising that were covered in the agenda for the meeting.

5.3 Minute of the SLC Board 13th March 2018

5.3.1 The minute of SLC Board meeting of the 13th March 2018 which is published on the SLC website was presented for information by Stewart McKillop. He highlighted the following:

- A meeting of the Remuneration Committee of SLC had recommended a 2% pay increase to the Principal and Depute Principal. The Board approved the recommendation and a letter of thanks would be sent to both on behalf of the Board for their excellent leadership.
- Key Performance Indicators 2016-17 .SLC is one of nine colleges that have improved retention rates for full time further education students.
- The SFC has now allocated funds for estate dilapidations to SLC of £1.37 million.
- Employers Association – a new Chair is in place and work is underway to agree a three year deal with the EIS which would be a good way forward.
- The Lanarkshire Board received copies of the SLC annual report.
- There had been a presentation to the Board on attainment data – the overall gender balance is 50:50, the college reached its credit target last year and is currently 471 credits above target, SLC is 10% ahead of the Scottish average for both full time and part time courses and within the top four colleges in the sector across all programmes and there was discussion of value for money and the cost per credit analysis.
- The Board was reminded of the concerns with regard to European Social Fund monies which provide additional income to the college and the Board would be presented with year on year figures for ESF.
- SLC's banking has been moved to The Royal Bank of Scotland
- The Board had received the consolidated accounts for the region. It had been reassured that SLC would continue to produce its own accounts and noted that NCL would now only produce consolidated accounts for the region.
- The Board had been informed that work was being done on the Student Association strategic plan and that this would align with the key values of the college.
- There had been a vote of thanks for the outgoing Chair – Jane McCartney - and the Lanarkshire Board was informed that the new Chair of the SLC Board is Andy Kerr. He will be a member of the Lanarkshire Board in his capacity as Chair of the SLC Board.

5.3.2 Matthew O'Hare asked about the arrangements for the SLC Remuneration Committee as staff and students had not been present at the meeting. The Lanarkshire Board Secretary said that the membership of the Remuneration committees followed the same principles being the Chairs of the Board's committees. However, at the Lanarkshire Board students and staff have the option to remain in the Board meeting that considers the Remuneration Committee's recommendations.

The Board noted the SLC minute.

6. Student Associations' Joint Report: The Board heard from both Student Associations (SA) who presented their papers which are published on the NCL website.

6.1 NCL SA Report

The Board was informed by Daniel Moore about the broad range of activities and events that the NCL SA is undertaking including the College Development Network (CDN) College Expo, the Be engaged Awards Ceremony, the FE Fair Attendance Survey, the Student Partnership Agreement and the engagement with social media. The Student Elections results were noted with Cheree Fleming as the new NCL President Elect and the three Vice Presidents Elect as follows: Dominika Gryzka (Coatbridge Campus) , David Penman (Cumbernauld Campus) and Marisa Rose (Motherwell Campus).

6.2 NCL Student Partnership Agreement

Decision: The Board approved the signing of the agreement by the Chair of the Board and the NCL Principal.

6.3 SLC SA Report

SLC SA Report

Julie MacKenzie highlighted the following:

- Self-employment workshops had been organised
- The SA strategy had been agreed and was ready to go to the Depute Principal
- There had been a strategy day and annual review
- There had been a strong elections campaign and Claire Patterson was the new President Elect and Liz Newlands the Vice President Elect.
- The SA had made their submission to the NUS Healthy Body Healthy Mind Award and were awaiting a decision.
- There had been more evening class visits
- There had been participation in a number of campaigns, workshops and conferences – the equality and choices event, Mental Health Awareness Week, Student Question Time, the NUS Conference, The Responsible Futures Audit, the Last Straw Campaign to ban plastic straws in the canteen.

The Chair thanked both presidents for their reports and again congratulated them on the range of activity being undertaken in both colleges. She also thanked them for their contribution to the Board over the past year and wished them well in their further studies and careers.

7. SLC Report to the Board

Stewart McKillop reported from the SLC meeting on the 29th May 2018 to the Board as follows:

- It had been the new Chair Andy Kerr's first meeting. He is a former member of the Scottish Cabinet and has considerable Board and Committee experience.
- The Board set the budget for the coming year
- They approved the external audit strategy
- There will be a targeted recruitment campaign in certain areas and SLC is going on the options list for East Renfrew because there are good transport links for their schools to the college.
- SLC have changed their application to the ERASMUS + Programme to mirror the NCL approach to take more students for less time
- The recovery disaster plan is being looked at by internal audit and will have been reviewed by August.
- There is ongoing discussion about risk with committees raising any risks that they wish to but with Audit being the main committee dealing with this issue.

The Lanarkshire Board noted the report.

8. Chairs' Report

8.1 Events and Awards: The Chair congratulated both colleges on a range of awards and achievements as highlighted to the Board in the NCL Awards and Achievements paper which is included in the Board papers published from this meeting and in the SLC newsletter summer issue which is on the SLC website.

8.2 Lanarkshire Board Recruitment: The Board is looking for two new Board Members following the resignations of Ronnie Smith and Douglas Anderson and recruitment at the end of the summer and new Board members being in place for the next meeting of the Board in October 2018.

8.3 National Committees: The Chair asked the Board to approve the re-nomination of staff and Board Members to the Employers Association.

Decision: The Board approved the re-nomination of Keith Fulton and Brian Gilchrist to the Employers' Association

8.4 SFC Update Strategic Dialogue meeting 23rd May 2018. The Chair informed the Board that this had taken place at the Motherwell Campus with two SFC Board Members – Caroline Stewart and David Alexander and herself, Kenneth Anderson, Keith Fulton, Martin McGuire and members of the senior management team and students. This is a way for SFC Board Members to become more familiar with the college environment and sector issues and Sharon Drysdale informed the Lanarkshire Board that this is something that they continue to want to do. The opportunity was taken to raise the issues relating to NCL finances which are set out above in the report from the Finance Committee.

8.5 Audit Scotland Update: the Chair informed the Board that the Colleges Scotland 2018 report would be released on Thursday 28th June. NCL had made a submission to the Auditor General about regional benefits.

Action: The report will be circulated to the Board.

8.6 Section 22 and the Scottish Parliament PAPL Committee

8.6.1 The Chair updated on this in her introductory remarks minuted at Item 1 above.

8.6.2 The Board was informed by the Chair that a paper detailing the outcome of the VS scheme had been prepared for the trade unions and had been circulated to all staff. This paper had also gone for consideration to the RGP committee.

8.6.3 The Chair also informed the Board that UNISON had shared the results of their staff survey with her and she had spoken with them and agreed a methodology to take this forward. Moira Jarvie commented that there had been positive movements since the staff survey was taken.

8.6.4 Martin McGuire informed the Board that he would hope to make it clear in his evidence to the PAPL Committee that there was unfair treatment of the college in the lack of funding for colleges that had already harmonised pay and conditions and that the college had gone through a difficult merger and had done everything it had been asked to do. He also noted that he had had to write to staff to

quell rumours about the closure of campuses and he has had on a number of occasions to confirm that there will be no compulsory redundancies. The pressure on funding and the process to deal with this is severely affecting staff morale.

8.6.5 There was discussion about what the Board can do to help with this.

Decision: Firstly, the Board agreed that the Chairs Committee will act on behalf of the Board to bring further focus to this and on how to get positive messages out to staff and students.

Secondly, it was decided that the Board through the Chair should approach the Regional Chairs of the other colleges that also do not have sufficient funds to cover national bargaining and need a redistribution of funds to discuss a joint approach to the SFC and Colleges' Scotland. Martin McGuire would also pursue this through the Principals' Group. These colleges represent the largest grouping of learners in Scotland. The Chair will also raise this issue with Colleges' Scotland.

9. Draft Regional Strategy

9.1 The Board considered the draft strategy which was presented by Jason Quinn. Board Members felt that the strategy had to have more visibility for international activity and the strategy will be amended to reflect this aspect more strongly.

Decision: The Board approved the regional strategy in principle with authority for the Chair and Principal to sign off the finalised document.

10. Draft Evaluation Report

10.1 The Board considered the draft report. It was informed that the last element – the review of the Chair would be undertaken by the senior independent Board Member in the next couple of weeks and this would be incorporated into the report. The individual meetings with Board Members and the Chair were ongoing and these would lead to the individual personal development plans and a mapping of partnership networks.

Decision: The Board approved the draft report in principle and delegated the signing of the final report to the Chair of the Board.

11. The Board Secretary informed the Board that the process of shifting SLC and NCL Committee and Board Dates to accommodate the process for approving the consolidated accounts was almost finalised and the revised dates would be sent to the Board and committee members.

12. Approved Publication of Papers from the Board

The Board agreed to the publication of the following papers from this meeting:

The agenda

Item 5.1 - The Minute of the Lanarkshire Board of the 26th March 2018

Item 5.3 - The Minute of the SLC Board of 13th March 2018 is published on the SLC website

Item 6.1 - The NCL Student Association Report

Item 6.2 –The NCL Partnership Agreement

Item 6.3 – The SLC Student Association Report and Newsletter
Item 8.1 NCL Awards and Achievements

13. AOB: The Chair of the Board thanked those senior staff who were leaving under the voluntary severance scheme for their contribution to the college, Board and students – Heather Urquhart, Janice McAulay and Tom Dodds – and all the other staff who were leaving NCL for all of their contribution to college life over the years.

14. Date of the Next Meeting

The next meeting of the Lanarkshire Board will be on Monday 1st October 2018 at 5pm at 101 Park Street at the Coatbridge Campus.