



Item 5.1 LB 16/12/2019

Draft Minute

The Lanarkshire Board 7th October 2019

5pm Boardroom 101 Park Street Coatbridge Campus

Present from the Lanarkshire Board: Ronnie Smith (Chair), Kenny Anderson, Annette Bruton (Interim Principle NCL), Jean Carratt, Dianne Dixon, John Elliott, Yvonne Finlayson, Keith Fulton, Rose Harkness, Moira Jarvie, Andy Kerr, Stewart McKillop, Ryan McRobert, Elizabeth Newlands (SLC Student Vice President), Dave Winning.

In Attendance: Angus Allan (Depute Principal SLC), Ann Baxter (acting Vice Principal – NCL), Iain Clark (Vice Principal -NCL), Brian Gilchrist, Carolyn Laird (Assistant Principal – NCL), Diane McGill (Board Secretary -The Lanarkshire Board), Keith McAllister (Head of Finance SLC), Penny Neish (Assistant to the Chair of the Lanarkshire Board, Jason Quinn (Assistant Principal-NCL).

Presentation

There was a presentation by Jason Quinn on Board email and Intranet Access which informed Board members about their email accounts log on names and passwords. Board papers will be uploaded to a Board area on the one drive and Board members will have access to the intranet. The presentation will be circulated to Board Members and published with the Board papers.

1. Chair's Welcome

1.1 Ronnie Smith welcomed everyone to this first meeting of his Chairmanship of the Lanarkshire Board. He introduced himself as the former Chief Executive of the enterprise company Lanarkshire Enterprise Services Ltd (LESL), the Chair of the Fusion Assets Company and the Chair of a Cumbernauld based IT Company. He has also been a former Chair of the Audit Committee of the Lanarkshire Board. He informed the Board that he would be meeting with Board Members over the coming weeks and that his door was always open for Board Members who wished to speak to him.

2. Apologies

2.1 There were apologies from Board Members as follows: Lorraine Cowan, Matthew O'Hare and Calum Smith. There was also an apology from Linda McLeod (SFC).

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 2nd September 2019: David Winning drew the Board's attention to the student presidents' reports at Items 7.1 and 7.2 and the wide range of activities being carried out by the associations and the co-operation between them.



4.2 Audit and Risk Committee 2nd September 2019. Yvonne Finlayson is the new Chair of the Audit and Risk Committee and chaired this meeting under the Standing Orders at paragraph 2 – section 2.2 and 2.3 - as set out in the committee minute as the meeting was not quorate. Any substantive decisions would be reported to this meeting of the Board for approval. Yvonne Finlayson had raised the issue of the meeting time and whether having the meeting in the evening would increase attendance. This will be a point for discussion at the next meeting of the committee. The Audit and Risk Committee was recommending the Internal Auditors Audit Needs Assessment 2019-2022 which is the Audit plan for 2019-2022. The details of the plan were set out in the committee minute.

Decision: The Board approved the recommendation from the committee to approve the plan.

4.3 RGP Committee 9th September 2019.

4.3.1 Keith Fulton drew the Board's attention to page 2 of the minute headed "Motherwell Campus rain screen cladding latent defects". Following further surveys in April and May 2019, further concerns had been raised about the condition of some additional cladding fittings together with the sub-frame elements to which they were attached. Gardiner Theobald, the Project Managers at the time of the build, were currently in discussion with Morrison Construction. The College's Iain Clark and Martin Loy are part of this ongoing dialogue. (Morrison had taken on the responsibility for the Motherwell Campus build from Miller Construction). The Board was informed that the safety of students and staff is paramount and that an area at the residencies adjudged to be more badly affected had been cordoned off and was being continually monitored. Further intrusive, investigative work on the cladding was planned and this would involve the manufacturers of the cladding system, as well as the builder, the project manager and the College. The outcome of this work will be brought back to the RGP Committee and, subsequently, to the Board. Additional assurances on safety have been sought from and been provided by Morrison. Should this change, the Board will be informed as a matter of urgency. Yvonne Finlayson asked if this had been added to the Risk Register and Jason Quinn said that this would be discussed at the next Risk Register meeting.

Action: Keith Fulton will write to the Board to reassure them about this matter. A further report will be brought to the RGP Committee and to the Board.

4.3.2 At the last Board meeting Keith Fulton informed the Board that he would arrange to meet with the EIS/FELA union who had requested that an email be sent to the Board before the meeting and who had arranged to lobby board members entering the building to attend the meeting. He has written to the Board in July to update them on the meeting. Much of what was discussed were matters of which the Board was aware – i.e. the teaching hours, the CQL posts and the introduction of Step into College. Other issues such as professional flexibility were currently subject to the national bargaining framework and due to be introduced in August 2019. Annette Bruton informed the Board that there was a JNC scheduled and Ann Baxter informed the Board that there had been an EIS/FELA staff survey. It was agreed at the July Board/EIS-FELA meeting, that the union would provide copies of the outcome report from the staff survey and a further report with regard to the Step into College event. Keith Fulton is still awaiting these reports.

4.4 Finance Committee Meeting 9th September 2019: Kenneth Anderson highlighted Item 6 of the minute where there was an update on the Regional Finance Review. He had sent the revised remit for the review to the group and there was ongoing dialogue on the remit. He had in broad terms advised the committee that the points on the remit may be addressed through the regional finance working group and further regional dialogue. This could also be informed by the review of regionalisation being



undertaken by David Newall. He also drew the Board's attention to Item 10 and to the FFR which would be discussed by the Board later in the agenda.

Action: A revised version and a paper with contextual information for the external auditors would be shared with the Chair of the Audit and Risk Committee and would be brought to the Finance Committee.

5. Board Minutes

5.1 Minute of the Lanarkshire Board 17th June 2019.

The draft minutes of the meeting of the Board on the 17th June 2019 were approved.

5.2 Matters Arising

5.2.1 The Regional Collaboration Plan

5.2.1.1 The requirement to produce a Regional Collaboration Plan emanates from the Auditor General's 2018 Colleges Scotland Report. The framework for the plan was agreed at the 25th March 2019 meeting of the Board and it was reported that work was ongoing at the meeting on the 17th June 2019 with the plan to be brought to this meeting of the Board.

5.2.1.2 In discussion, the Board noted that Appendix 1 is the Framework and Appendix 2 is the plan and that the document would be amended to reflect this. The plan has also been mapped to the Regional Strategy and the ROA and this work will be re-incorporated into the document. The work of the Regional Finance Group and its remit in producing protocols, processes and procedures should also be included in the plan.

Decision: It was agreed that the plan was approved in principle and that a high level strategic paper would be written to succinctly capture the key elements of the plan.

5.2 The matters arising were on the meeting agenda.

5.3 SLC Board Minute of 11th June 2019.

5.3.1 The Board minute is published on the SLC website. Stewart McKillop presented the minute to the Board highlighting the following:

- Credits – SLC Board Members noted that the college was 145 credits over target.
- Consolidated Accounts – the SLC Finance and Resource Committee had again raised its concerns in regard to the presentation of Accounts for the Lanarkshire Region. South Lanarkshire College had and would continue to produce an individual set of accounts, but no individual Accounts existed for New College Lanarkshire. Members noted that discussion was ongoing in regard to this and that feedback would be given to the Finance and Resources Committee as the dialogue progressed. Mr Kerr stated that an offer had been made for SLC to assist in the drawing up of the Consolidated Accounts.
- Audit Strategy Memorandum – Year ending 31st July 2019 – Mazars had taken the SLC Audit Committee through the content of her report. The Audit scope and timeline will be very much in line with the previous year. Following guidance laid down in the Code of Good Practice, it had been assessed by Mazars that the audit should be carried out under the small body



provisions of the Code. The areas that will be considered in this round will be; Financial Sustainability and Governance.

- The SLC Human Resources Committee noted the many initiatives offered for staff and it was agreed that no concerns should exist in relation to health and wellbeing for the re-assessment of Investors in People. Stewart McKillop informed the Lanarkshire Board that the college had achieved a platinum level.

5.3.2 The SLC Annual Report was distributed to the Lanarkshire Board and noted by the Board.

6. Student Associations' Reports

The Students' Association Reports are published on the NCL website.

6.1 NCL Student Association Report

In Calum Smith's absence, the Board was informed that the SA had a new structure this year with each main campus now being looked after by a Vice President. A great deal of time had been spent in planning events across 6 campuses, devising the operational plan and reviewing the class representative system to raise their profile and increase the number of class reps. The President and Vice Presidents had undergone sparqs and NUS training and will be liaising with SLCSA on winter leavers. Annette Bruton welcomed the Board's support for the activities of the NCLSA and said that she would convey this to Calum Smith.

6.2 SLC Student Association Report

Elizabeth Newlands spoke to her report and highlighted a few of the Association's activities as follows:

- The SLCSA participation in the NUS initiative, Think Positive about Student Mental Health, and the Students' Association's participation on the panel at this year's Think Positive event.
- The SLCSA is working towards the Going Further for Student Carers Recognition Award launched in March 2019 and that SLCSA is delighted to be involved.
- SLC staff and students have received Carer Awareness Training following which SLCSA attended the Scottish Young Carers Festival in the summer.
- She commented on the success of learner inductions and classroom visits; students are engaging positively with SLCSA.
- The hoodies are again very popular.
- SLCSA has now drafted its operation plan for the coming year which is based on 3 priorities:
 - Improving student physical wellbeing and mental health
 - Carers, care experienced, veterans and estranged student events
 - Respect campaigns.

The Chair thanked the Student Presidents for their reports and congratulated them on the breadth of the activity being undertaken. The Board noted the reports.



7. Staff Members Update

7.1 NCL Update: At the last meeting of the Board, Moira Jarvie informed the Board as follows:

- job evaluation was causing stress amongst the staff and this is taking a lot of Trade Union time.
- She was meeting with vulnerable groups to assist them with the process.
- She informed the Board that an extension would be needed and that a formal request would be made from NCL this week.

At this meeting she updated the Board that 50% of the evaluations had been received to date and that the deadline for submission was currently the end of the month. She again highlighted the time that this was taking.

8. The Interim Principals Report

Annette Bruton informed the Board that she was testing the water in terms of presenting a Principals Report to the Board. The report is published on the NCL website with the papers from this meeting. She highlighted the following from the report:

- NCL has the highest number of finalists at the World Skills event with 24 students set to compete in the national finals having been selected as the top performers in their chosen skills from national qualifiers held across the UK. They will compete in front of more than 70,000 spectators at the Skills Show at the NEC in Birmingham from 21-23rd November 2019.
- A hair salon within the University Hospital Wishaw operated by staff and students from the Faculty of Service Industries has been shortlisted for Scotland's Dementia Awards 2019. The salon, Styles and Smiles opened in April to offer long term stay patients free hair styling and barbering services. Staff and students have, in addition, volunteered over the summer. This service has been very well received.

The Board agreed that the report was very useful and welcomed the report to the Board.

9. Chairs Report

9.1 Lanarkshire and Other Recruitment

9.1.1 Keith Fulton referred the Board to the update that he had delivered at all three NCL main campuses in August which informed staff of the appointment of Professor Christopher Moore as the NCL Principal and Chief Executive and the Chief Officer of the RSB and the ministerial appointment of Ronnie Smith as the Chair of the Lanarkshire Board. The Interim Principal was Annette Bruton. Ann Baxter had been appointed as Acting Vice Principal and Shona Pettigrew as Acting Assistant Principal.

9.1.2 The Board noted that the Board Secretary wrote to the Board on the 27th June 2019 setting out the process for the appointment of the new Principal and the recommendation from the Nominations and Search committee to appoint Professor Moore and asking for the Board's approval of the recommendation by written procedure by mid-day on the 27th June. The Board Secretary wrote to the Board on the 27th June confirming that the Board had approved the recommendation from the Nominations and Search Committee.

9.1.3 He also informed the Board that the Nominations and Search Committee had interviewed for four additional Board Members on the 23rd September 2019 with Janie McCusker, the Chair of the Glasgow City Regional Board, as the independent member from another region. The Nominations and Search Committee had recommended to Scottish ministers the appointment of Paula Blackadder (Executive

Director with Morgan Stanley), Michael McGlynn (Executive Director at South Lanarkshire Council), Barbara Philiben (former Head of Service North Lanarkshire Council) and Alastair Rennie (senior IT executive in a number of organisations). Confirmation was now awaited from the Scottish Government.

9.1.4 The Board was informed that the Nominations and Search Committee had recommended that another candidate, Ronnie Boyd, should be co-opted to a committee. There were two other less experienced younger candidates and the recommendation from the Committee to the Board was that the Board should set up a mentoring programme to allow less experienced candidates to acquire skills for future membership of public or charity boards.

Decision: The Board approved the Nominations and Search Committee recommendation to set up a mentoring programme and Keith Fulton would liaise with Brian Gilchrist and the Board Secretary on this programme.

9.2 National Committees

The Chair updated the Board that there had been a Colleges' Scotland Board meeting but there was no feedback to give on this to the Board. Board members had just met with the SFC on the RSB self-evaluation and a report would be sent to the RSB at the end of November.

9.2.3 Update from the Employers' Association.

Keith Fulton reported that there would be an event next month and he would report to the Board on that event.

10. NCL Business Plan

10.1 Monitoring Arrangements and Reporting – Business Plan.

The Board was informed that

- The feedback from two meetings held with the SFC since the last report to the Board was positive
- The overall the Business Plan was on track. All areas were being reviewed earlier this year through spotlight on the curriculum. Class sizes are more efficient.
- The SFC are encouraging the VS scheme to be brought forward as there are pressures on the SFC budget and this could help to secure the funding which is essential to the Business Plan. Moira Jarvie commented that the SFC had approved the Business Plan and the funding for VS was an integral part of the plan and, therefore, the funding should be available from the SFC.

The Board noted the report.

11. Financial Forecasting Returns

Iain Clark presented the FFR to the Board and highlighted the following:

- The College (New College Lanarkshire/NCL) is directed to prepare a Financial Forecast Return (FFR) for the period 2018/19 to 2023/24. In essence this is an updated forecast for the year to 31st July 2019 and an updated 5-year management forecast for the period to 2023/24. The NCL return includes the College subsidiary (Amcol Scotland Ltd.) but excludes South Lanarkshire



College whose FFR will be consolidated with the NCL FFR to arrive at an FFR for the Regional Strategic Body (RSB).

- As per the College Business Plan the College endeavours to produce a balanced budget and manage its cash resources appropriately to arrive at medium-term Financial Sustainability. The College endeavours to produce efficiencies with a focus on improvements in class sizes and early retention, aligning staffing levels to meet curriculum and service demands, as well as constantly reviewing income streams and addressing non-staff cost control.
- It should be noted that central Government still require 3% efficiencies per year which inter alia “should be taken into consideration in meeting the Cost of Living pay awards”, and that no strategic capital funding will be given to restructure learning spaces.
- The FFR is in alignment with the Business Plan which identifies six key objectives for sustainable future business delivery: To achieve the required level of productivity (credit delivery); to ensure efficient workforce deployment; to optimise infrastructure utilisation; to deliver a high quality relevant curriculum whilst driving improvements in learner success; to provide financial sustainability; and optimise Regional efficiencies.
- The key assumption as per the agreed Business Plan centres on the premise that any and all Voluntary Severance (VS) is fully funded by the SFC. SFC Cash-flow support is also inherent in the Business Plan. It is proposed to bring the VS scheme forward following discussions with the SFC and in response to budget pressures in both organisations. Any earlier start to the scheme would have to be communicated carefully to staff.
- SFC Activity and Funding levels are as per the FFR Guidance and extrapolated based upon the Regional Outcome Allocation – flat cash/activity from 2019/20 and then a 3.1% reduction in activity and a 1.9% decrease in funding from 2022/23 after ESF ends within the FFR.
- The Cost of Living increase in staffing costs has been set at Public Sector Pay Policy levels (averaging out at c2.25%) with the STSS (pension) increase funded centrally by the SFC. The Cost of Living increase has to be funded by the College itself as part of the Scottish Government efficiency targets set
- SFC Grants related to Capital/Maintenance and VHPM are assumed to increase at 1.5%.
- Tuition Fees & Education Contracts and Other Income is assumed to grow at 1.5% in line with Other Operating Expenses and is below the current 1.7% inflation rate. There is a risk in this area particularly given the environment of austerity, increased competition and post-BREXIT.
- Other Operating Expenses is expected to grow at 1.5%, which is below the current 1.7% rate of Inflation. In the absence of any further SFC funding, the College would seek to flatten expenditure in this area through further procurement efficiencies or reductions in spend. However, the former route is almost fully exhausted and the latter will impact upon both the learning and physical environments.

The SFC have asked for scenarios on the FFR’s and Annette Bruton commented that this was because the SFC wanted to make a national argument. The scenarios are over and above the VS schemes. The SFC want a consolidated FFR for both NCL and SLC although the value of this is not clear. Iain Clark will consolidate the two FFR’s and submit to the SFC but will submit the two individual narratives.

The Board noted the work undertaken by Finance Staff and budget holders to get to a balanced budget in a very difficult environment and commended the staff for this.

Decision: The Board approved the NCL FFR.



11.2 SLC FFR

The SLC FFR is approved by the SLC Board and comes to the Lanarkshire Board to allow that Board to carry out its function of assurance and challenge where appropriate. The Lanarkshire Board noted that the SLC Board had approved the FFR at its meeting on the 17th September 2019 and that it had already been submitted to the SFC by SLC.

Keith Fulton raised the fact that there were different views being followed on assumptions in the SLC and NCL FFRs.

Action: The Chair of the Lanarkshire Board stated that the assumptions for both Colleges must be in line with each other in future submissions to present the Regional position more effectively and assist the requirement for a consolidated return.

12. Assigned College Business

12. SLC Report to the Board.

Stewart McKillop updated the Board on the main items discussed at the SLC Board meeting on the 17th September 2019 as follows: the consolidated accounts process had worked better this year, there was a balanced budget, the internal audit reports had all been positive reports, there was now a video on-line about working in the college to aid applicants for jobs, Harry Burns had spoken at the staff development day, there had been a £1.37 million estates upgrade and the annual procurement report had gone to the Board.

13. Andy Kerr presented the paper seeking the Lanarkshire Board's approval of Paul Hughes as an SLC Board Member.

Decision: The Lanarkshire Board approved the appointment of Paul Hughes to the SLC Board.

14. Board Dates for 2020

Decision: The Board approved the dates for 2020.

15. Approval of Publication of Papers

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

The agenda

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| Item 5.1 | The Minute of the Lanarkshire Board of the 17 th June 2019 |
| Item 5.2 | The Minute of the SLC Board of 11 th June 2019 which is published on the SLC website |
| Item 6.1 | The NCL Student Association Report |
| Item 6.2 | The SLC Student Association Report and Newsletter |
| Item 8. | Principal's Report |
| Item 9.1 | August 2019 presentation on Board Recruitment |
| Item 14 | Board Dates for 2020 |

16. **AOB:** Ronnie Smith minuted that he was very grateful to Keith Fulton for covering for him until he could take up his position fully in October 2019. He also thanked Stewart McKillop who has announced

his retirement for his very valuable contribution to education in SLC and beyond and for his contribution to the Lanarkshire Board.

17. Date of the Next Meeting: The date of the next meeting

The next meeting of the Lanarkshire Board will be at 10.30 am on the 16TH December 2019 in the Boardroom at the Motherwell Campus followed by the Board Christmas Lunch in ML1.

Draft