

South Lanarkshire College
BOARD OF MANAGEMENT MEETING
Held on Tuesday 17th September 2019

Present A Kerr (Chair), S McKillop, L Newlands, K Dougans-Haining, R Harkness, C Gibb, J Carratt, K Fulton, Y Johnston, P Hughes, I Johnstone, S Dillett, G Stillie (by phone), C McDowall, P Hutchinson.

Apologies S Duffy, L Glen, T Donnelly

1. Declarations of Members' Interests

Membership of The Lanarkshire Board was declared by A Kerr, K Fulton, S McKillop, L Newlands, R Harkness and J Carratt.

Mr Fulton added that the new Chair of The Lanarkshire Board had been appointed and that Mr Ronnie Smith would be attending all future Board meetings.

2. Chair's Update

Retirement of Principal – Mr Kerr stated that further to his email to the Board announcing Mr McKillop's intention to retire, the process for the appointment of a new Principal was being put in place.

Mr Kerr stated that with the resignation of Mr Ralston, the role of Chair of the Audit Committee was now vacant. He stated that he wished to nominate Ms Glen to this role and asked for a seconder. There were no further nominations. Ms Gibb seconded the nomination of Ms Glen.

The Board welcomed Ms Glen to this new role.

3. Minutes of the Previous Meeting

The Minute of the meeting held on 11th June 2019 was agreed by the Board of Management.

4. Matters Arising

Investors in People – the College is delighted to have been re-assessed at Platinum Level. South Lanarkshire College is the first college in the UK to have been re-accredited at this level.

Members congratulated the senior team and all staff on this achievement.

Constitution – this was distributed in draft for discussion at the Board Training Session in June. Mr Fulton had raised a number of points and these had been passed to the

College solicitor for further consideration. A formal response on his points would be sent to Mr Fulton in due course.

Appointment of Principal of New College Lanarkshire – Mr Fulton updated members on the process of recruitment and appointment. Members noted that Mr Christopher Moore had been appointed and would be taking up post on 11th November 2019.

5. Update from the Committees

- **Audit Committee**

Mr Hutchinson took members through the minute of the Audit Committee which had taken place on 27th August 2019, highlighting the following:

Audited Financial Statements – dialogue had continued to address the concerns of both the Board and the management team in the area of the consolidated financial statements. The Funding Council had also been in discussion with The Lanarkshire Board re the disaggregation of the Regional Consolidated Accounts for analysis purposes and it was hoped that some change may be seen in the year to come.

Members noted the document prepared by the external audit providers, Mazars, and the comments made in the “Good Practice Note on Improving the Quality of College Annual Report and Accounts” issued by Audit Scotland, together with the work being done by the College on this.

Risk Register – two risks ranked as high; long-term financial stability and the risk concerning the draft document of Memorandum of Understanding, the second has now been downgraded with the signing of the Memorandum of Understanding.

Discussion took place on the variances of style between the SLC and TLB Risk Register. Members noted that the College’s Risk Register had been fine-tuned over a number of years and was seen as an example of good practice by the auditors. Mr McAllister stressed that it was at the discretion of individual colleges how they wished to collate and present their risk registers.

Members noted that the Committee had also spent some time discussing the impact of Brexit on funding, most especially in the area of European Social Funding. It had been highlighted to the Committee that notification had been given to expect a fall in credits in Year 4 of the current 5-year financial forecasting period covering 2019/20 to 2023/24. It had been noted that the College had control mechanisms in place to maintain some flexibility in the coming years to respond to changes in activity levels.

The Committee had received the following reports from their internal audit service providers, Scott-Moncrieff, at their last meeting: Procurement and Tendering (August 2019), Cyber Risk Management (April 2019), Follow Up – Internal Audit (August 2019), Progress Report (August 2019) and the Internal Audit Annual Report covering the full 2018/19 year (August 2019). The members had discussed the reports and noted the

recommendations and the management responses. The Committee had then approved the Annual Report to be forwarded to the Board of Management in September 2019.

The Board of Management duly approved the Annual Report from the Internal Auditors.

Members noted the finalised Internal Audit Plan for 2019-20 and the work programme contained therein.

- **Human Resources Committee**

Mr McDowall took members through the minute of the Human Resources Committee which had taken place on 12th September 2019, highlighting the following:

All Staff Conference (13th August 2019) – this had been a great success again this year, with the evaluations of the day giving the highest ever scores. As part of the day the College had presented Long Service Awards to 76 staff, spanning from 15 to 35+ years' service. Mr Kerr stated that this had been extremely well received. Members stressed the positive impact of this event on staff at the beginning of a new term and thanked all those involved in its organisation.

Investors in People – the re-accreditation process had been completed in May 2019. The College was delighted to be re-accredited as an Investor in People at Platinum. All agreed that this was a fantastic achievement for the College and staff. The award had been presented to Andy Kerr at the All Staff Conference.

National Pay Bargaining – a briefing had been given by the Principal on the changes for both Support and Lecturing staff.

An update was given to the Board on the lack of progress on the Job Evaluation Scheme for Support staff. Members noted that this was a Sector issue and that the College remained in open dialogue with the Unison staff representative through the Joint Negotiating Committee.

The Principal explained the current ongoing discussions on the terms and conditions for Lecturing staff and the issuing of new contracts.

- **Finance and Resources Committee**

Mr Kerr took members through the minute of the Finance and Resources Committee which had taken place on 27th August 2019, highlighting the following:

Management Forecast – 12 months to July 2019 – shows a projected surplus of £109K which is marginally higher than budget. The Committee had discussed the need for there being reconciliation between the management forecasts and finalised accounts. Mr McAllister had agreed to produce an additional commentary to this end which would be presented to the Committee in November.

Accounting and Backlog Maintenance – year ending 31st July 2019 – the College received £1,375K in respect of Backlog Maintenance Grant. Members had been given a detailed paper explaining the use of these monies across the College.

Draft Forecast for the 5 years to July 2024 – the Committee had considered the detail of the papers. Throughout the period, the College is again forecasting a balanced budget, but this is heavily caveated by the implications of national bargaining over which the College has no control and also the impact of EU funding withdrawal. Account has been taken of the Funding Council’s guidance on activity level and, in particular, the end of ESF activity in 2021/22. The Funding Council is revisiting the allocation of activity and the College has noted the assumption that there will be a decrease in activity levels of 3.1% in the Lanarkshire activity target in 2022/23. There is however also a plan to increase the value of a credit which would limit the decrease in Regional income to 1.9%.

The forecast prepared by the College has assumed that EU-supported funding will be replaced by the Funding Council, as the Guidance issued by SFC mentions that activity levels may vary within the sector due to “demographic changes and other circumstances”. With this amounting to over £1.3 million per annum to the College, the implications of this not being replaced has to be seen as a significant risk to the College. This was duly noted by the meeting.

Modest decreases in costs have also been incorporated into the model but more challenging income targets must be set to compensate for anticipated cost increases. The increased income targets shown are seen to be realistic, given the current level of alternative income activity.

The Committee had noted the scenarios that the sector had been asked to consider and which were noted in the paper prepared for the Funding Council, and that the College would continue to plan, as circumstances dictated, to react to them accordingly.

The Board then approved the recommendation of the Committee to approve the draft forecast for the 5 years to July 2024, as contained in the management report and the Financial Forecast Return (FFR) 2019. The latter would be submitted to the Scottish Funding Council. Members noted that the FFR would also be forwarded to The Lanarkshire Board for its information.

Draft Budget for the 12 months to July 2020 – the College is forecasting a balanced budget, but this must be caveated for the implications of any increases re national bargaining outwith the levels expected that may arise during the year. Modest increases in income and expenditure have been incorporated into the model. The Committee had sought re-assurance that scenario planning was already in place to address these implications and this had been given.

The Board then approved the draft Budget for the 12 months to July 2020.

Statement of Principal Accounting Policies – Year ended 31st July 2019 – Mr McAllister drew members attention to the minor changes to this document, highlighting the reasons for them.

The Board approved the Principal Accounting Policies, for use in the financial statements for the Year ended 31st July 2019.

- **Development Committee**

The Principal took members through the minute of the Development Committee which had taken place on the 3rd September 2019, highlighting the following:

Education Scotland – a meeting took place with Andrew Brawley, HMI on 29th May 2019 to discuss the updated Evaluative Report and Enhancement Action Plan and the actions achieved to date.

Awarding Body Verification Activity Update – all 2018-19 external verification events were concluded successfully, and the awarding bodies continue to report high confidence and areas of good practice.

City and Guilds have awarded the College, Medium (registration only) Approval for a number of qualifications across the College. The relationship with SQA remains strong with 21 successful verification visits having taken place.

Members noted that the College wished to have choice in the delivery of courses and to this end the relationship continued to be built with City and Guilds.

The Quality Enhancement Group (QEG) - met on the 7th May 2019 and 18th June 2019. Curricular area targets, HEPT attainment, Assessment Arrangements for additional support, the Blended Learning Consortium, the Academic Board, Student Views, In-Course Team Reports and progress on the College's Quality Enhancement Plan have formed the agendas.

The Quality Audit Group (QAG) - concluded the last two internal audits from the planned 2018-19 audit activity in June 2019.

Complaints Quarterly Update – five formal complaints were received in Quarter 4. One was withdrawn bringing the total number for 2018-19 to fifteen, fourteen of which were actioned.

Student Success – members noted the success of students across the College and passed on their congratulations.

Gender Balance – the College is now required to make a report to the Scottish Government on gender balance across the College. The Committee was advised of the initiatives in place to encourage a better balance in areas where one gender was often dominant.

Members welcomed the work being done in this area.

Marketing – the August recruitment campaign comprised multi-channel, online and offline marketing activities. The majority of the outdoor advertising (both traditional and digital) took place in June, July and August 2019, in the period immediately prior to the release of the SQA Exam results. The Committee had been extremely impressed by the quality of the advertising materials.

The Principal added that although the College had at this point almost reached its credit target, it was important that the College profile was maintained. Members agreed that this was morale lifting for both students and staff.

Induction Process – the Principal and Student President had been visiting classes. This had included introductions and a Powerpoint presentation. Ms Newlands said that this had been extremely well received by the student groups. Members agreed that this was an excellent process to welcome new students to the College.

6. Student Association Update

Members had received a copy of the SLCSA Board Report – August 2019 with the Board papers. Ms Newlands took members through the highlights of the comprehensive report.

Events and Training – in addition to all necessary in-house training, the President and Vice President attended NUS Lead and Change. This was a two-day event of officer training and development and was hosted by West Lothian College.

K Woodlands Pride – the Student Association Team and Student Services enjoyed attending South Lanarkshire Pride hosted by K Woodlands in June.

Think Positive – the Student Association in partnership with the College has been actively collaborating with NUS to produce a Student Mental Health agreement. Ms Newlands stated that they had been delighted to be part of this important initiative and indeed had been invited to join the Panel at this year's Think Positive Event.

Members agreed that the College had a strong process in place to support students and Ms Newlands that this was very much noted by external bodies.

Student Carer Awareness Training – in June 2019, both staff and members of the Student Association had this training from the Carers Trust. The training highlighted the day to day challenges for carers and how these impact on our student carers.

Ms Newlands stated that she had been touched by this training that she decided to volunteer at the Scottish Young Carers' Festival. This allowed her to find out more and gather ideas of how the College to further held its student carers.

College Hoodies – continue in their popularity. Ms Newlands stated that as well being of great benefit to the students, it allowed the SA the opportunity to engage with students when they came in to make purchase.

Free Sanitary Products – the SA produced holiday packs to support students over the summer. These had been well received by students.

Members once again welcomed the news from the Student Association and thanked all those involved in the incredible level of work and contributions made to enhance the student experience.

7. Approval of Paperwork for Publishing on College Website

The Board approved all paperwork marked 'for publishing' to be placed on the College website.

There being no further competent business the Chair closed the meeting by thanking everyone for their attendance.