**Approved Minute of the meeting of The Lanarkshire Board**

**20th March 5pm Boardroom at Motherwell Campus and via Zoom**

**Present Face to face:** Ronnie Smith (Chair), Paula Blackadder, Keith Fulton, Yvonne Finlayson, Christopher Moore, Barbara Philliben, Alan Sherry, Dave Winning.

**Present via Zoom:** Dianne Dixon, John Elliott, Fraser Heaney, Paul Hutchinson, Rahela Callin, Kellyann McGraith.

**In Attendance Face to face:** Ann Baxter, Iain Clark, Matthew Smith and Elaine Turkington.

**In attendance via Zoom:** Keith McAllister, David Hoose, Diane McGill, Penny Neish.

**1. Chair’s welcome:** Ronnie Smith (RS) opened the meeting and thanked everyone for attending this special Board meeting. He proposed that Item 6 on the agenda would be taken after Item 4 and this was agreed by the Board.

**2. Apologies for absence:** There were apologies from Moira Jarvie, Tarryn Robertson, Ryan McRobert, Stella McManus, Ann Docherty and Alastair Rennie.

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

**4. RSB and Assigned College Update**

**4.1 RSB Chairs Overview:** Ronnie Smith informed the Board that he had written to the Scottish Government on the 13th February 2023 asking that the Lanarkshire Transition Group be re-established. He had not yet had a response.

**4.2** The Board Members noted that there would be a special meeting of the Board in mid-April to consider the college finances which were reflective of a squeeze in funding for the sector.

**4.3** Ronnie Smith informed the Board about a meeting being held by David Watt the Chair of College Employers‘ Scotland Board on the 28th March 2023 with regional chairs. He would not be able to attend and it was agreed that Keith Fulton would go but he would have to be clear what the college line was on the pay settlement. This would be discussed later at Item 10 on the meeting agenda.

**4.4 SLC Acting Chair Update:** Paul Hutchinson informed the Board that the SLC accounts had not yet been signed. The Auditor General had been sent a 300 - page dossier alleging governance issues at SLC for their consideration and this had been passed to the external auditors Mazars for them to check for any items that had not already been raised by the investigations and the impact, if any, for the accounts. Alan Sherry informed the Board that there would be a Section 22 report for the SLC 2022/23 accounts.

**5. NCL Committee Minutes**

**5.1 CSAO 20th February 2023:** The activity to maximise credits was noted and the impact of not reaching the target which would be considerable.Christopher Moore informed the Board that Matthew Smith was collecting data in real time and that 1,600 had signed up at this stage for the programme of activities that had been circulated to households throughout Lanarkshire. It was hoped that this re-calibration would result in targets being met. There was discussion about the overall credit basis of funding and the formula’s used and the need for fundamental review.

**5.2 Audit and Risk Committee (ARC) 20th February 2023:**

***Decision: The Board approved the recommendation that that Wyllie Bisset be appointed for a further year.***

**5.3 RGP Committee 27th February 2023:** The Board’s attention was drawn to the update on Motherwell College and to the update on the pay negotiations. It was noted that a 1% unbudgeted pay rise would costs £400k.

Keith Fulton updated the Board on the position relating to BTO. The Board noted the position stated at Item 5.1 in the RGP minute as follows:

Additionally, and following meetings between NCL and BTO, KF had agreed to ask the RGP and the RSB to consider taking a different approach as legal debate has proved to be a long and so far inconclusive route during which more costs have been incurred and would continue to build without any resolution becoming available within the timeframes envisaged originally.

KF said he was very conscious of these further increases in costs over those already reported recently to the RGP and to the RSB. However, SFC and the other RSB Committees are being kept updated on costs and developments.

KF outlined the options now available to the College and, after lengthy and detailed discussion of these and the necessary related actions, the RGP agreed to proceed along the lines recommended by BTO and KF.

The Board endorsed this action.

**5.4 Finance Committee 27th February 2023:** The Board noted the launch of the Educational Foundation at Item 12. It also noted the cash flow position set out at Item 13with the biggest concern being cash flow and this is before any unfunded staff pay settlements. The college could be out of cash by July 2023 and relying on the SFC to provide next year’s cash up front to alleviate the position. There will be a special meeting of the Board in mid- April as noted at Item 4.2 above. There was discussion of the position of the Board members as trustees in the light of the cash flow position and it was noted that the colleges are within ONS. The auditors, therefore, view the colleges as being financially sustainable because as part of ONS they are within the ambit of government policy. Keith Fulton highlighted the need for legal advice on the position for clarity for Board Members.

**5.5 Confidential Chairs Committee 6th March 2023:** The Board endorsed the action being taken in regard to the financial position as set out in the minute of the Chairs’ Meeting.

**6. The 2021/22 Consolidated Accounts**

**6.1** The Board was informed that all the audit work had been undertaken on the NCL accounts. As noted at Item 4.4 above a 300- page dossier alleging governance issues at SLC had been sent to Audit Scotland re the SLC accounts which had been forwarded to Mazars under protective disclosure. David Hoose was now working through this. The NCL governance statement and accounts could not be finalised until the SLC wording and accounts were finalised. Audit Scotland would lay the accounts after the Section 22 report was completed and this would take some time. The accounts would, therefore, not be laid before the 30th April 2023. Alan Sherry would sign the SLC accounts and he thanked David Hoose for his pragmatic approach to this.

***Decision: It was decided that Iain Clark OSCR would write to OSCR to inform them of the position re the laying of the accounts.***

**7. SLC Committee and Board Reports**

**7.1** Paul Hutchinson informed the Lanarkshire Board as follows:

* SLC were in the process of recruiting for a Principal. The applications deadline was last Friday and interviews would be held of Wednesday 29th March with the appointment to be announced on the 31st March 2023.
* The job description for the post of Governance Professional was being finalised.
* Andy Kerr’s term as Chair would not be renewed. Trish Donnelly had resigned from the SLC Board and there would be recruitment to the SLC Board. Paul Hutchinson would continue as Chairing Member.
* There had been a vote of no confidence from the Trade Unions in January 2023.
* The Trade Unions had been invited to nominate observers to the SLC Board.

**7.2** Alan Sherry informed the Lanarkshire Board that the SLC HMi report was very positive showing significant progress and that the students feel supported with a real sense of community post Covid. There were no main areas for action. He noted that SLC was one of only two colleges teaching meta skills. Ronnie Smith congratulated SLC on the report against the background of difficult circumstances.

**7.3** The Lanarkshire Board noted the SLC mid- year progress against budget report and the Head of Finance report presented by Keith McAllister. The progress against credit targets, the savings of non – salary expenditure of 5-10% to contain costs and the impact of any unbudgeted salary awards were noted – 3% is budgeted with each 1% above budget costing £130K.

**8. Board Minutes**

**8.1 Minute of the Lanarkshire Board 12th December 2022:** The minute was approved.

**8.2 Matters Arising:** There were no matters arising.

**9. Chairs Report (FI)**

**9.1 Chair’s Overview:** Ronnie Smith said that the financial situation had been discussed earlier and would be the subject of a special Board meeting in mid- April 2023.

 **9.2 National Committees:** There was discussion about the pay negotiations. There would be a meeting with David Watt on the 28th March 2023 as noted at Item 4.3 above. Keith Fulton noted that there was not agreement in the colleges about the way forward – a number of colleges feel that they cannot go above the budgeted figure, others that they need to go higher but do not know how this would be funded and others want to look to the teachers’ settlement. There is also concern about strike action with the possibility that the EOS/FELA `ballot will support a strike and the Professional Services union balloting on pay but also on terms and conditions for a 4- day week and more holidays. The issue of the role of Trustees in regard to unfunded pay settlements was raised again. and. Fraser Heaney raised the possibility of the unions getting more involved to understand the broader context. Christopher Moore pointed to the financial settlement for the coming year as being very bad let alone being combined with the prospect of unfunded pay settlements. He wanted to have the position set out in the SFC indicative allocations before communicating with staff but he was clear that there would need to be communication of this very difficult position to staff as soon as possible.

**# *Decision: It was agreed that the Lanarkshire Board could not support making unfunded pay offers***

**Decision.**

**9.3 Board RecruitmentDe 9.3 Board Recruitment:** Ronnie Smith informed the Board that up to 7 members of the Board would need to be recruited and approved by the Scottish Government before the 27th of August 2023. He thanked Dianne Dixon and Ryan McRobert for agreeing to extend their terms to assist in the recruitment process.

**9.4 Board Self -evaluation 9.4 Self Evaluation:** Ronnie Smith informed the Board that the process of 1-1 meetings with the Chair was underway, that Keith Fulton would undertake his review as Chair and there would be an evaluation of the committees and Board as well. A report would be bought to the 12th June 2023 meeting of the Board.

**10. Update from Employers’ Association:** This was reported at Item 9.2 above.

**11. Regional Outcome Agreement:** The Board was informed that the ROA had been submitted following the Board meeting in December 2022.

**12. FFR and Lanarkshire college finances update:**

**12.1** Iain Clark presented a paper to the Lanarkshire Board on the NCL Projected Cash Flow position. The Board noted that the College has been in active discussions with the SFC over the past few months around cash flow and the SFC have advised the College to wait for the SFC Mid-Year Return (MYR) review to formally discuss options and formally agree a plan when more clarity in the outturn position will be available. The College is currently completing the MYR Forecast (due 31st March 2023) and the College will be much better placed by then after this exercise is complete to begin to formalise discussions. Initial indications from the SFC are that support will come at the outset from the 2023/24 GIA Allocation being advanced and accelerated.

**12.2** It has been noted at 4.2 above that there will be a special meeting of the Board in mid – Aprilto discuss the financial position and the Chairs meeting on the 6th of March 2023 decided that there should be a re-negotiation of the ESF clawback payments with the SFC to alleviate the cash flow position.

**13. Regional Risk Register:** Matthew Smith presented the Regional Risk Register which includes the SLC register. The next meeting of the regional risk group will be the 2nd May 2023.

**14. NCL Equalities Report:**

***Decision: The Lanarkshire Board endorsed the report which will be posted to the web.***

**15. Student Associations’ (SA) Reports**

**15.1 NCL Student Association Report:** Kellyann McGraith presented her report from the NCL Student Association highlighting a range of activities in the report. The paper was sent to the Board and is published with the Board papers. She highlighted two additional matters that were not in the report as follows: firstly, the SA had met with MSP Clare Adamson re keeping students safe while crossing at the Motherwell Campus and North Lanarkshire Council had monitored the cars going too fast and were considering road safety measures. Secondly Kellyann reported that 16 students have finished training as mental health advisers.

**15.2 SLC Student Association Report:** Alan Sherrypresented the SLC Student Association report highlighting the contents of the report to the Board. The paper was sent to Board members and is published with the Board papers.

**16. Principals’ College Update Reports**

**16.1 SLC Update:** Alan Sherry presented his Principal’s report to the Board and the report was noted. The report is published with the papers.

**16.2 NCL Update:** Christopher Moore informed the Board that the Community Open Day on the previous Saturday had gone very wellwith 1,800people attending and that this had had a very positive impact on the staff. The launch of the Education Foundation would be held on Friday 31st March at the Coatbridge Campus auditorium with Elaine C Smith giving her one woman show and the tickets had been sold out. He also recorded his thanks on behalf of the Executive team to Alan Sherry at his last meeting of the Board for all his help, support and recognition of the power of education saying it had been a pleasure to work with him. Alan Sherry, in turn, thanked team and Ronnie Smith for their support saying it had been a great experience and a quick and enjoyable year. Ronnie Smith thanked him and reflected on what could be achieved through the application of a positive approach.

**17. Hamilton Campus Review:** Matthew Smith presented the paper which had been circulated about the Hamilton Campus. Barbara Philliben asked about the costs of the UWS option and Christopher Moore said that it would not exceed that of the Hamilton lease and would in fact probably be less. The facilities were much better for academic activity.

***Decision: The Board agreed that NCL should give notice to South Lanarkshire Council by the deadline and begin negotiations with UWS for August 2023.***

**General Board Business**

**18. Board Training:** The Board Secretary informed the Board that there would be a Board Development programme which would encompass training for the Board to include jargon busting and college sector finance. This would start before the next Board meeting.

**19. Approval of Publication of Papers from the Board:** The Board approved the publication of the agenda, the approved minute from the 12th December 2023, the SA reports and the SLC Principal’s report.

**20. AOB:** There was no other business.

**21. Date of Next Meeting:** The scheduled date of the next meeting of the Lanarkshire Board is 12th June 2023 at 5pm.