



Board of Management Meeting Held on 23rd September 2015

Present J McCartney, L McTavish, S McKillop, C McDowall,
J Gallacher, P Devenny, R Ralston, I Todd, K McInnes, M Cord

Apologies K Anderson, J Evans, D Burnett, C Ferguson, S Dillet, S Clark,
B Johnstone, A Martin

In Attendance A Allan, K McAllister

1. Declaration of Members' Interests

Mr Todd's membership of the South Lanarkshire College Foundation was noted.

2. Minutes of the Previous Meeting

The Minutes of the meeting held on 24th June 2015 were approved, with changes to attendees noted. Mr McKillop stated that an amended set of minutes would be forwarded to members.

3. Principal's Update – September 2015

Audit of WSUMs activity

Mr McKillop stated that the audit of student activity for academic year 2014/15 was in the process of being carried out and no issues of concern had been noted to date, with the auditor making comment that information and back-up schedules had been well prepared.

He continued that he was confident that overall achievement rates should increase for the year and he outlined the additional help that had been given to a range of students.

Mr Allan gave information on the students undertaking the Bachelor of Accounting course, which was being operated in partnership with the University of the West of Scotland. He was pleased to say that ex-SLC students completing the Honours degree year at UWS were ranked the best performing in that course.

Mr McKillop outlined the arrangements for the forthcoming graduation. Included in this were photographs of graduands being used in a poster campaign and an

eve-of-graduation dinner being held with a token charge being made. He added that New College Lanarkshire board members had been invited to the Graduation.

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As regards current activity, the latest count was almost 41,000 credits, and well onto the way of reaching the College's target of 44,384. He added that the College would overshoot its target in case of withdrawals, and appropriate students were being tagged for ESF reporting.

It was noted that a significant number of students had enrolled online for the first time. The next step of the in-house development of the associated IT would be to allow students to complete their bursary applications online. Mr Allan added that the online enrolment had cut temporary staffing requirements by four. Mr Devenny stated that the lecturing staff had seen the benefits of the new arrangements, with fewer and shortened queues during the initial weeks of term.

Mr McKillop added that changes introduced to colleges, rather than universities, meant that it would be more challenging to recruit overseas students where those students had to supplement their income by working part time. This was resulting in the College targeting a different group of overseas students, and a trip to China was taking place at the end of the month to attract construction students.

Conference

Mr McKillop gave a report on the all-staff conference which was attended by 250 staff from across the College; the staff feedback was included in the papers distributed for the meeting. Mr Gallacher commented that he found the day uplifting and was pleased to hear positive feedback from staff on the day.

Mr McKillop added that the College would be collating formal feedback and following suggestions up where appropriate.

Refectory Services

It was intimated that, following a joint tender process undertaken with New College Lanarkshire and involving APUC and Mr Dillett, Inspire Catering would be providing catering services for staff and students from October.

Mr McKillop was confident that the new company would be a "good fit" for the College. Mrs McTavish knew of the company from previous experience and was also confident that they would run the services in a way that reflected the ethos of the College.

4. Human Resource Committee

C McDowall presented the minute of the Committee. C McDowall highlighted the staff development days that had taken place and added that, as was now the norm, the programme for the next days of training in December would be made available for staff from New College Lanarkshire.

Mr McDowall emphasised the positive drive to increase membership of the General teaching Council within the College, noting that both the Principal and Depute had recently joined.

Discussion took place on staff absence where there had been a slight increase in overall absence for the second quarter of the year, which had been affected by the level of long term absence.

The matter of converting the increasing number of temporary lecturing posts to permanent posts was discussed. Mr McDowall pointed out that legislation had, of course, changed to give more rights to temporary members of staff, but a permanent position had an impact on the retention of good staff and reflected good practice and kept the College on course to reflect the legal position. Mrs McTavish suggested that the consideration of converting temporary posts to permanent ones should be a formal process. This was agreed.

It was noted that the College had recruited a new Head of Human Resources, Lisa Beresford, following a recruitment exercise involving an agency. It had been a rigorous process and Mr McKillop added that senior staff were very pleased at the quality of the candidates presented. It was added that the other vacancy in HR had now been filled.

5. Audit Committee

Mr Ralston gave an update on the Audit Committee.

Internal Audits under taken by Messrs Scott-Moncrieff

He stated that members were pleased with the format of the internal audit reports produced by Scott-Moncrieff; Mr Todd concurred, stating that they had added to the understanding of the process and the results.

It was noted that the College's Financial Regulations had to be updated, but also noted that these would be affected by the Financial Memorandum that had to be put in place between the College and the Regional Strategic Body. Mr McKillop said that the College had produced a draft for consideration by the RSB and awaited a response to allow the process to move forward although it was unlikely to be in place for, possibly, a year. It was noted that the Financial Regulations would, nonetheless, be updated as far as possible before the end of 2015. The College continued to be a fundable body and the current Financial Memorandum would continue for one more year.

Mr Ralston took members through the three reports, noting that the level of recommendations was low.

Risk Management Policy and Procedures

It was noted that the papers for the Board meeting included a draft of the above. Discussion ensued and it was agreed to adopt the Policy.

Mrs McCartney stated that she would want the Board to review risks once a year, with this being a separate agenda item. Mr McAllister noted this and agreed that this would be done.

Mrs McTavish added that a risk register for the Region would be introduced in the near future.

Mr Gallacher asked if it was the intention to have the current Risk Register available on the College website. Mr McAllister replied that it was, and he would report when this had been done.

Audit Scotland Technical Bulletin 2015/2

Members noted the section on the “technical deficit” that the Funding Council was allowing in order to fund student support shortfalls. Mr Gallacher and Mrs McCartney shared the view that this was not a situation that they, or other members, were happy with. It was agreed to monitor results in the sector

6. Finance Committee

Mr Gallacher took the Committee through the financial report and highlighted that the College was predicting a deficit of just under £100k for the period of 16 months to July 2015. He repeated his discomfort with this situation where a technical deficit was being allowed to deal with student support shortfalls, especially given that the College was purely an agent for the Funding Council re student support. He added that not only was it “bad business” but it was also bad governance. Mr McKillop reflected the mood of the meeting in voicing his total agreement.

Mr Gallacher stated that the Funding Council would be suggesting a form of words to be included in the Financial Statements to explain any “technical deficits”, although this had not been received as yet. He added that the Funding Council had already said that they would be employing the same arrangement to deal with any student support shortfalls in 2015/16. Mr McKillop, however, highlighted that the student support funds allocated to the College were substantially increased over 2014/15 and any deficit should only be at the margin. He added that the College was confident that, should this be the case, then the College should show a surplus for 2015/16.

Discussion took place on the technical nature of the deficit and Mr McAllister stated that colleges could have a deficit to the value of their net depreciation charge. Mr Gallacher added that this could be potentially problematic to colleges in the long run where a revaluation caused a substantial increase in depreciation. Members agreed that the situation was both confusing and unacceptable. In response to a query from Mr Todd on whether the Funding Council had been queried on the matter, Mr Gallacher stated that they had been called to the Scottish Parliament Audit Committee where this matter had been the subject of intense scrutiny.

Mr Ralston asked what checks were being put in place re the spend on student support. Mr McKillop replied that one of the standard internal audits carried out by an external accounting firm covered this area.

Mr McKillop took members through the exercise undertaken to revalue the College assets. This would have a direct effect on the College Financial Statements. Management had, following tentative discussions with the external auditors, proposed to incorporate the professional valuation with a remaining life of 42 years and a residual value of £5 million. The fall-back position would be a remaining lifespan of 52 years and no residual value. Both had the result of having a net depreciation charge much in line with the one at present. Mr McAllister would report back to the Board on the acceptability of the proposed treatment by the external auditors.

Mr McAllister updated members on the exercise to appoint advisors to pursue a Lennartz claim against HM Revenue and Customs. He stated that seven colleges had prepared a joint tender, via an APUC Framework Agreement, for VAT advisory services. He added that, unfortunately, the firm which claimed to have “the answer” to the issue were not part of the Framework Agreement. He agreed to keep the Finance Committee informed of progress.

7. Development Committee

Mr McKillop presented the report of the Development Committee.

The College is participating in an Action Learning Self-Evaluation Project with the Scottish Funding Council and a number of staff including the Depute made a presentation on progress at a recent dissemination and consultation event. Mr McKillop said that a report would be made to the Board towards the end of 2015.

As part of the College’s proactive approach to maintaining academic standards high, three courses had been placed on “special measures” whereby the solutions to specific issues would be monitored by the SMT to ensure that follow-up action was being taken.

It was noted that in a review of internal and external examinations taken in the College, no issues had been identified.

In the area of Marketing, the new website had been well received and development work was ongoing, including a specific section for Board of Management members, and on governance. It was noted that usage of the site had increased by 90%, with time spent on the site by users increasing by 189%.

Mr McKillop asked members to note that, following a period of rebranding and general awareness raising, the focus of marketing and advertising spend would be on digital / online media. He added that the use of online media tied in well with the move to online “live” enrolments.

8. Property & Estates

S McKillop highlighted the importance being placed on more College staff being trained in ASSIST, a system whereby they would be better equipped to identify and deal with the results of students finding difficulty with issues relating to stress.

He asked the Board to note that the College was the first in the UK to have achieved the NUS Responsible Futures Award.

He reported that the College had recognised that there was an increase in the number of students with mobility issues and, to address this, both lifts were now converted to fire lifts.

The Committee had noted the decrease in accidents in the last quarter to be monitored. Mr McKillop explained that more emphasis had been placed on training in this area, particularly in Hospitality and this area had seen a particularly significant decrease in incidents.

Mr Allan informed members of the income being generated by the PV panels on the roof of the Construction wing, and that the College was well on target to reach its payback figure of £80k. He added that more extensive use had been made of the College's ground source heat pump and that more emphasis would be placed on using this in future.

Re the New Build project, Mr McKillop asked members to note that it was on target both in terms of finishing date and budget. The College was working on the official opening and the Scottish Government had been approached to nominate a person to perform the opening ceremony.

Code of Conduct for Members of the Board of Management

Mr McAllister took members through the draft Code, which was based on a template supplied by the Funding Council. It was only marginally changed from the version which the Board had already seen.

Members agreed to adopt the Code. Mr McAllister said that he would inform the Funding Council that this had been done, and arrange to have it available on the College website.

AOCB

Mr McKillop distributed an information sheet compiled by Scotland's Colleges which highlighted the academic and economic worth of the FE sector in Scotland. He stated that the sheet, and the information contained therein, would be used by the College as a marketing and promotion tool.

Mr McKillop also distributed the annual "Letter of Guidance" on FE sector funding issued by the Cabinet Secretary, noting that it was a little later than is usual.

Whilst it did not identify funding levels, it did give the steer that there would be a “flat cash” settlement for the sector. It did, however, give the Government’s support of multi-college regions.

There being no other business, the Chair thanked everyone for attending.