

**South Lanarkshire College  
Board of Management Meeting  
Wednesday 9<sup>th</sup> December 2015**

**Present** J McCartney, S McKillop, J Evans, P Devenny, I Todd, K McInnes, L McTavish, K Anderson, J Gallacher, M Cord

**Apologies** C McDowall, D Burnett, R Ralston, C Ferguson, B Johnstone, S Dillett, A Martin

**In Attendance** A Allan, K McAllister

**1. Declarations of Members' Interests**

Mr Todd declared his membership of the College Foundation.  
Mrs McTavish declared her position as Chair of The Lanarkshire Board.

**2. Minutes**

The minutes of the meetings held on 23<sup>rd</sup> September and 4<sup>th</sup> November were approved.

**3. Matters Arising**

Mr McKillop asked the meeting to note that the Code of Conduct for Members of the Board of Management which had been adopted by the Board on 23<sup>rd</sup> September would be passed to The Lanarkshire Board for their information.

Mr McKillop informed members that the College was only 2,000 credits short of its target, which would be met with ease. Discussions with the Funding Council were at an advanced stage re the granting of additional activity for 2015/16. It was hoped that there may be an offer off 2,500 core credits for the College. Added to the current target of 44,384 credits, this would approximate to 60,000 weighted SUMs.

Mrs McCartney asked members to note that the official opening of the new build would be at 9.30am on 24<sup>th</sup> February, with the Cabinet Secretary performing the opening ceremony.

**4. Updates from the Committees**

**Audit Committee**

Ms Evans took members through the minute of the Audit Committee which took place on 30<sup>th</sup> November 2015. It was noted that Mr Gallacher, Chair of the Finance Committee, was in attendance at that meeting.

Members were informed that this was the annual joint meeting with the Finance Committee at which the Annual Report of the external audit providers and the audited financial statements were reviewed.

### Report of the External Auditors on the Audited Financial Statements

The Audit Committee had received and discussed the Annual Report on the audited Financial Statements from the external auditors, Messrs KPMG, and noted that they had issued an unqualified audit opinion. Discussion ensued on the report, with minor changes being proposed by members, none of which had a material effect on the findings. All were accepted by KPMG, who agreed to issue an amended version.

*Note that this amended version had been remitted with the papers of this Board of Management meeting.*

It was noted that the report had been complimentary about the preparedness and accuracy of the working schedules supplied to them by the College. KPMG had concentrated on three crucial areas, these being (a) the revaluation of the College's assets and the resultant effect on the Financial Statements; (b) the new Remuneration Report contained within the accounts and (c) going concern, which resulted from the shortfall in student support funds received. The report commented that all three had been reviewed with a satisfactory conclusion.

It was noted that, prior to the conclusion of the meeting, College staff had left, allowing the Committee to discuss any pertinent matters with both sets of auditors. It was noted that there were no issues which required follow up.

The Committee had then recommended the acceptance of the KPMG report which allowed the Finance Committee to consider the Financial Statements.

### Internal Audit

Mrs Evans took members through the Annual Report which had been submitted by Messrs Scott-Moncrieff. She stated that this had been their first year of review and it was encouraging to note that the pattern of successful audits undertaken by the previous incumbents, Messrs Wylie & Bisset, had been continued.

It was noted that the audit of student activity had resulted in no recommendations or adjustments, whilst the audit on student support funds had been similarly positive. She asked the Board to note that this report had been forwarded to New College Lanarkshire.

On risk, she noted that this subject was playing an increasingly important part in audit and she asked what arrangements the College was making to make staff more generally aware of Risk. Mr McKillop replied that he would be making specific mention of risk in his end of term address to all staff in December. He also added that the College was working with New College Lanarkshire to have an overarching risk register for the Lanarkshire Region. This was welcomed by the Board.

### Annual Report of the Audit Committee

Mrs Evans took Board members through the draft Annual Report of the Audit Committee to the Board of Management. Some minor changes were proposed and Mr McAllister agreed to make these.

**Mrs Evans asked the Board to approve (a) the Annual Report of the external auditors, (b) the annual report of the Internal Auditors and (c) the Audit Committee's Annual Report to the Board. All three recommendations were accepted.**

### Finance Committee

Mr Gallacher took members through the minute of the Finance Committee which took place on 30<sup>th</sup> November 2015.

#### Financial Statements for the 16 Months to 31<sup>st</sup> July 2015

It was noted that the Board had already accepted the Annual Report of the external auditors re the financial statements for the period to 31<sup>st</sup> July 2015. Discussion ensued on the financial statements themselves, and it was noted that the accounting year end had reverted to 31<sup>st</sup> July, resulting in a 16-month accounting period for 2014/15. The Board noted the deficit for the period, which was unusual for the College but a situation which is likely to be reflected across the sector, and the approach taken by the College in respect of the new Remuneration Report which was now a requirement within the Financial Statements.

Mrs McTavish noted that she was not on the list of Board of Management members contained within the draft Financial Statements; Mr McAllister said that this omission would be corrected.

#### Forecast for the 12 Months to 31<sup>st</sup> July 2016

Mr Gallacher asked the Board to note that the forecasted surplus for 2015/16 was slightly below Budget (being £84k) at £54k. Mrs McCartney asked for an update on the sectoral salary award situation. Mr McKillop reported that the support staff union were moving slowly towards settlement, with the expectation being that support staff will receive the same award as lecturing staff. However, he did raise the possibility of industrial action being taken by the lecturing staff and the process had already been initiated by their trades union representatives.

Mr Gallacher commented that it was not a good situation where the College was now not in control of the salary award situation, but it was accepted by the meeting that there was nothing that the College could do about this. Mrs McCartney asked if the College had made provision for a salary award in its forecast and Mr McKillop replied that it had. She also commented that consideration should be given to adding the implications of centralised salary award discussions being added to the College's risk register. Mr McAllister agreed to take this to the Risk Management Group.

Mrs McTavish stated that the sector should be issuing a consistent view re award discussions, a view accepted by the meeting.

As recommended by the external auditors, Mr McAllister stated that a method of reconciling management accounts to “statutory” accounts was being investigated. He did state though that it was widely felt that statutory accounts would become more difficult to interpret due to the changes in reporting requirements. Mr Gallacher agreed with this, stating that it was important for the Board to have assurance about the College’s financial wellbeing in an understandable format. Mrs Evans added that the replacement for the Income and Expenditure Account that would be introduced in 2015/16 would cause confusion and would preclude meaningful comparability, particularly re the treatment of grants received and any capital gains.

**With the Annual Report of the external auditors already having been approved by the meeting, Mr Gallacher concluded by asking members to approve the Financial Statements for the 16 months to 31<sup>st</sup> July. Approval was duly received.**

### **Development Committee**

In the absence of Ms Burnett, the Principal took members through the minute of the Development Committee which took place on 2<sup>nd</sup> December 2015.

Mr McKillop and Mr Allan commented on the Action Learning Plan pilot project that the College had been involved in, along with two other colleges. It was noted that SLC’s attainment had increased in 2014/15; this was welcomed by members.

It was agreed that having a core set of data and a consistency across the sector was crucial, with the appropriate dataset being defined for the colleges. Mr Allan added that there were no complete HMI reviews being planned for any FE college in 2016.

Mrs McTavish asked that a presentation on the use and continuing development of IT within the College be given to the College Board. Mr McKillop agreed to arrange this. Responding to a query raised by Mrs Evans, he also agreed to submit information to the Development Committee on the costs and penetration of the College’s radio campaigns.

Mr Gallacher stated that the College seems to adapt very well to change in the sector. He cited the decision by the Funding Council to allow colleges to use what they refer to as “Deprecation Cash” to support the deficit in student support funding, or other specific areas. He would be looking to perform an analysis of the sector’s financial performance once the financial statements for all colleges had been released by the Scottish Parliament. Although he noted that the Board of Management was a Scottish Charity, he asked Mr McAllister to find out if the College itself was also a charity. Mr McAllister agreed to report back to the Board on this.

Mr McKillop reported that he had been asked to join the Scottish Board of City & Guilds, which he would be doing.

He also reported that the College would be refreshing the PVG disclosure checks process to ensure that all staff who are not covered will be by the end of 2016. Mrs McCartney asked that the HR Committee be kept informed of progress.

Finally, Mr McKillop stated that he hoped that the College would hear soon as to whether the “Erasmus Plus” bids had been successful, and that the College website had been updated significantly since the last Board meeting, with very few areas still to be populated.

### **Property and Estates**

In the absence of Mr Johnstone, the Principal took members through the minute of the Development Committee which took place on 4th December 2015.

Mr Allan expanded upon the carbon footprint return that the College had made to the Funding Council, asking the Board to note that the decrease of 24% was likely to be conservative as measurement methods were now much more accurate than they had been before. He stated that this report would be mandatory for all colleges next year.

Mrs Evans asked if the college had a business continuity plan and, if so, how was it tested. Mr McKillop replied that there was indeed a formal plan, and outlined some of the measures that the College has employed to date. Mr Allan also mentioned that the College had had two major incidents during the year and that parts of the plan had been utilised. Mrs McCartney asked that a report on testing be made to the Property and Estates Committee and Mr Allan agreed to do that.

### **Human Resources**

Mr Anderson took the members through the minute of the Human Resources Committee which took place on 3<sup>rd</sup> December 2015.

#### **Staff absence**

Mr Anderson stated that the low level of staff absence was, overall, encouraging but there was a desire to drill down. Mrs Evans asked if there was a target for the College and if the statistics could be split into long / short term and if comparisons could be made across the sector. Mr McKillop agreed to arrange for the provision of more detailed figures but stated that figures from other colleges might not be available although general public sector figures would be available.

#### **Staff Development**

Mr Anderson highlighted the work being done on the emphasis of PREVENT and ASIST training. Members of New College Lanarkshire staff will be invited to participate in the staff development days planned for 7<sup>th</sup> and 8<sup>th</sup> January 2016. Members welcomed this sharing of training.

#### **Health and Wellbeing**

Mr Anderson also commended the College on its continued promotion of health weeks which covered both staff and students.

### Student President

Mr McKillop gave the Board an update on the actions undertaken to cover the vacancy caused by the resignation of the Student President. The College had involved NUS Scotland and he was pleased to report that Megan Cord would be increasing her commitment as the new Senior Vice President and would represent the student body on The Lanarkshire Board. There would be an election process for a second Vice President.

### Policies

It was noted that the updated Whistleblowing Policy would be presented in draft form to the next meeting of the HR Committee. Mrs McCartney emphasised that there had to be a process agreed.

Mrs McCartney also asked that a report be drawn up on the College's PVG arrangements and current staff coverage.

## **5. Governance**

Mr McAllister referred to the briefing schedule on governance that had been included in the papers. He updated members on work being undertaken on complying with the requirements of the 2014 Code of Good Governance for Scotland's Colleges, which the Board had adopted in June 2015. He also updated members on the work being done, and still to be done, to ensure that the College complied with the Code of Conduct for the Board of Management, which had been adopted by the Board in September 2015.

He also highlighted reference points for members re their responsibilities as Board members and the changes made in the College's Financial Statements re governance. He added that governance would be addressed in the next Board update day.

Mrs McTavish reported that there is a Ministerial group reviewing governance on which the FE sector is represented. She emphasised that governance is continually evolving and that the sector's Board Secretaries' Group is providing a liaison between the colleges and the Funding Council and Scottish Government.

## **6. AOCB**

Mrs McCartney stated that she would like the Board to have a formal work plan, with a timetable including not only one-off actions, but also those where there should be a continuous programme such as communications and self-evaluation. Mr McKillop agreed to submit this to the next appropriate meeting of the Board.

Mr Gallacher added that the Board could not afford to be complacent and welcomed the work being done on developing a formal work plan and self-evaluation.

There being no further business, the Chair closed the meeting, thanking members for their attendance and for their work throughout the year.