

**South Lanarkshire College**  
**BOARD OF MANAGEMENT MEETING**  
**Held on Tuesday 27<sup>th</sup> November 2019**

**Present** A Kerr (Chair), P Hutchinson, S McKillop, G Stillie, R Harkness, I Johnstone, C Gibb, C Paterson, L Newlands, R Ralston, K Fulton, J Carratt.

**Apologies** S Dillett, S Duffy, C McDowall

**In attendance** A Allan, K McAllister, A Martin

### **1. Declaration of Members' Interests**

Membership of The Lanarkshire Board was declared by A Kerr, S McKillop, C Paterson, R Harkness and J Carratt. No other declarations were received.

### **2. Welcome**

Mr Kerr welcomed Mr Fulton to his first meeting of the Board since taking up the role of Interim Chair of The Lanarkshire Board and also Ms Newlands in her role as Vice President of the SLC Student Association.

As this would be her last meeting before going off on maternity leave in February 2019, Mr Kerr took the opportunity on behalf of all members to wish Ms Paterson well and for her work across the College and on both the SLC Board and The Lanarkshire Board.

### **3. Update from Chair**

Funding Council Appointment – Ms Karen Watt has been appointed as the new Chief Executive of the Funding Council. Her current role is as Director of External Affairs at the Scottish Government.

Board Recruitment – members were delighted to hear that the College had received some 60+ applications to join the SLC Board. Interview dates have been agreed for 6<sup>th</sup> and 11<sup>th</sup> December 2018 and ten applicants have been called for interview. The Panel will be Mr Kerr, Mr Hutchinson, and Mr Miller of Badenoch and Clark. Ms Martin, Clerk to the Board will be in attendance.

Members noted that Mr Fulton had been invited to join the panel but due to prior commitments had declined. He had been happy with the process to go forward, with those applicants successful at interview going forward to The Lanarkshire Board for ratification.

Mr Kerr added that it was hoped that new members would be able to attend the February Committee meetings but this would of course be subject to induction sessions etc taking place within the tight timescale. Members welcomed this news.

Equality and Diversity Questionnaire – Mr Kerr asked members if they could take the time to complete the questionnaire which had been distributed to them by email. Members noted the closing date was 28<sup>th</sup> November 2018.

Register of Members' Interests – Ms Martin tabled the current Register of Interest to each member. Mr Kerr asked that all members complete/change as required, sign and date and return to Mrs Martin before leaving this evening.

Memorandum of Understanding – Mr Kerr stated that work was ongoing at present. He informed members that a working group had been formed and that feedback would come to both the SLC Board of Management and The Lanarkshire Board.

Graduation Ceremonies – these had been excellent events and thanks was expressed to all members who came along. Ms Paterson stated that the feedback from both ceremonies and from the Graduation dinner had been excellent. Ms Newlands added it was a wonderful end to the students' year.

Rolls Royce Engine – Mr Kerr informed members that the College had received the offer to home the Rolls Royce Avon engine which is the subject of the award winning film 'Nae Pasaran'. Members welcomed this addition to the campus and noted the strong links to East Kilbride.

The Principal stated that a unit would be built in the College car park to house the engine and that an official opening would be arranged. Members agreed the importance of publicising the presence of the engine and ensuring the history behind it was highlighted.

Members' Profiles – Mr Kerr again asked that those members who had not already done so send Ms Martin a short profile that can be placed on the College website. Members agreed that this would be done.

Gleneagles Event - Mr Kerr stated that the College had hosted a culinary evening in the training restaurant at which our students had had the opportunity to work alongside the chefs from the Gleneagles Hotel. He had attended the dinner and was delighted by the quality of food and service provided by our students. Members agreed that this was an excellent learning opportunity for the hospitality students.

#### **4. Principal's Update**

Scottish Funding Council Funding Model – the Principal explained that a new model was being considered and the hope that this would take into consideration the effect of National Pay Bargaining. He went on to explain that over the next five years it was anticipated that 10,000 homes would be built within the SLC catchment.

Discussion then took place regarding the movement of credits between colleges. The Principal explained that colleges who were unlikely to meet their credit target were being encouraged to give up their unused credits earlier in the session to allow other colleges to benefit from them. This would be an in-year transfer.

Members noted that this session the College would be taking 900 credits from New College Lanarkshire. Discussion took place regarding the funding attached and assurance was sought that all on-costs would be met. The Principal stated that this was indeed the case and that going forward the College would benefit from these credits becoming part of the College's permanent credit allocation.

Detailed discussion then took place regarding the impact on the College. It was noted that these additional credits would meet unmet demand to attend SLC and this could only be a positive for the Region.

The Principal stated that at present the changes were only at proposal stage and that he would report back to the Board as progress was made and agreed by the Funding Council.

National Pay Bargaining – the Principal updated members on the progress and discussion this far with both the lecturing and support staff unions. Members noted that industrial action by the lecturing union was anticipated in early 2019.

**5. How Good is our College? Summary – Quality Improvement through self-evaluation October 2018 – Pre-endorsement report main themes** (this document had been distributed with the papers)

Mr Allan took members through the detail of the new process. He reminded the Board that the last full review had been in 2011 when the College had received the best report in Scotland. It was stressed that this new process took all colleges into new territory as it now looked at the picture across the year and not a moment in time.

Mr Allan then took members through the document. He drew particular attention to the College's Student Data Outcomes, stressing that the clearest illustration of the College's success was its students.

Members noted that the overall achievement remained very high. Mr Allan stated that the College had a particularly high level of success with students from disadvantaged and/or care backgrounds.

Members enquired if any areas for development had been highlighted. Mr Allan stated that the College showed a weakness in schools' provision and that consideration was being given to what could be done to improve this. Discussion then took place regarding the College's growing relationships with local schools and the efforts made to meet the needs of this particular group of learners.

Mr Allan stated that on publication of the final document the College HMIe, Andrew Brawley would present to the Board of Management. This is anticipated for early 2019.

**6. Update on Information Systems – November 2018**

Mr Allan presented a paper on the work being carried out on the College's information systems. The positive impact of these systems on staff and students was such that it was important that the Board be fully aware of the ongoing innovation.

Development Projects – members noted the work being done in bursary, human resources and course application. Working Groups continued to monitor and agree on enhancements across the projects. Members agreed that the progress and benefits of these projects was excellent.

Cyber Security – members noted that the College had been the first in Scotland to receive Cyber Essentials Plus accreditation in April 2018. Discussion took place around the importance of this and how advanced the College was in having such a strong infrastructure in place.

GDPR Compliance – members noted that a permanent group to monitor compliance on ongoing changes to legislation has now been added to the College calendar and annual schedule of meetings. All agreed that this was key in the present environment.

IT Desktop and Server Infrastructure Updates – Mr Allan stated that the IT desktop hardware estate had increased to approximately 1500 units in 2018 from 1300 in 2017. The College has also replaced 400+ of these units over the last three months and this has allowed all software to be kept updated as per security requirements. There are also plans to replace elements of the College server infrastructure in the coming months.

Members stated that the investment in this area was extremely welcome at a time when all was being done to ensure a balanced budget. The Principal added that £476K of the dilapidation fund had been used on improving systems and upgrading machines.

Ms Newlands added that the Student Association received positive messages regularly from students on the quality and number of laptops available for them to use and take away to allow them to work on projects at home. Many students would not have access to laptops without this lending facility.

Discussion took place regarding the in-house systems that had been produced and whether there could be a market for these. Mr Allan stated that whilst many colleges visited to look and learn from our systems it was important to recognise that the College would not be in a position to manage the systems for other organisations.

These new systems are of benefit to all. In areas such as bursary, the staff have more capacity to interact with the students and deal with day to day concerns.

## 7. Update from the Committees

### ▪ Audit Committee

Mr Ralston stated that this was the annual meeting at which the Audit Committee was joined by the Chair of the Finance and Resources Committee and both the Internal and External Auditors (Scott-Moncrieff and Mazars).

Mr Ralston took members through the minute of the Audit Committee which had taken place on 5<sup>th</sup> November 2018, highlighting the following:

Consolidated Accounts – members had once again sought assurance that in line with the discussion at the September 2018 Audit Committee meeting that there would be a clear segregation between the field staff working on the two colleges and that that the terminology ‘group’ was unacceptable to SLC; Mazars had agreed to feed this back to The Lanarkshire Board.

It was also noted that agreement had been reached with NCL that no narrative referring to SLC would appear in the published accounts without prior agreement of the SLC Board of Management. Mazars were aware of this agreement.

Mr McAllister stated that sections of the consolidated accounts had been received, although the final version with all appropriate narrative was still outstanding. He would be working with NCL

staff to ensure that SLC had sight of, and were happy with, the final version of the consolidated accounts. He added that he would be liaising on this with Mr Ralston, who would be reviewing the consolidated accounts on behalf of the SLC Board, and Mr Kerr.

Members were asked to note that SLC had moved its December Board meeting to November to allow time for the College's accounts to be approved by the SLC Board. This would, in turn, allow the Consolidated Accounts to be completed in the knowledge that the SLC component had been approved by both the external auditors and the SLC Board of Management.

#### Internal Audit (Scott-Moncrieff)

Five reports were presented by the internal auditors at the meeting –

- Information Governance – GDPR Readiness – April 2018
- Review of Credits Return 2017/18 – September 2018
- Student Support Funds and EMA 2017/18 – Management Points – September 2018
- Internal Audit Report 2017/18 – Follow up – October 2018
- Internal Audit Annual Report 2017/18 – October 2108

The Committee had been happy with the content of all reports. The Board noted the content.

The Internal Audit Annual Report had been reviewed by the Audit Committee and had now been forwarded to the Board of Management for its approval.

The Board approved the document.

#### External Audit (Mazars)

- Annual Audit Report to the Board of Management and the Auditor General for Scotland – South Lanarkshire College – Year ended 31<sup>st</sup> July 2018

Mr Ralston stated that this was an all-round 'clean' report. There were no outstanding audit points and no points of concern had been raised. There had only been a few minor control recommendations and these had been accepted and would be addressed by the College.

The Audit Committee had noted and approved the final fee for 2107/18 and noted that there had been no variance from the initial fee proposed. The fee is in line with the scale set by Audit Scotland.

Members had agreed that based on the assurance given in the report by the external auditors, they would recommend that the draft financial statements could be considered by the Finance and Resources Committee.

The Board of Management then approved the document.

## Risk Management

Members were asked to note that GDPR had been included as a separate risk in the Risk Register put in place to support monitoring of this risk reflecting its increasing significance. Mr Ralston stated this had been welcomed by the Audit Committee.

Detailed discussion had taken place at the Committee in relation to the impact of Brexit on the College's funding and that assurances had been given that scenario planning was ongoing. Limited guidance had been issued to the colleges and the Funding Council could only comment on the monies for the coming year. However, it had given the sector outline guidance on following years in order that a 5-year financial forecast could be produced.

Annual Report of the Audit Committee to the Board of Management from November 2017 to September 2018 – Mr Ralston presented the content of the report which detailed the work of the Committee.

He concluded by drawing the Board's attention to the opinion section of the Report with there being no issues of concern required to be highlighted.

The Board considered and approved the Annual Report from the Committee.

### ▪ **Finance and Resources Committee**

Mr Kerr took members through the minute of the Finance and Resources Committee which had taken place on 5<sup>th</sup> November 2018, highlighting the following:

Annual Financial Statements for the year ended 31<sup>st</sup> July 2018 – the Committee had looked in detail at the document. The surplus before other gains/losses for the period was £36K. This excluded the release of the Lennartz balance which amounts to £292K. It also excludes the actuarial gain in respect of the pension scheme and the unrealised surplus on the revaluation of land and buildings. Both figures inflate the total comprehensive income for the year to £4 million.

Discussion took place in regard to Lennartz and the decision taken on moving to this building ten years ago. Members noted the input of Scott-Moncrieff annually to ensure correct process being followed.

The Board then approved the Annual Financial Statements for the year ended 31<sup>st</sup> July 2018.

Principal Accounting Policies – Mr McAllister highlighted the minor change to the policy. The Committee had agreed the change.

The Board then approved the updated version of the Principal Accounting Policies as at 5<sup>th</sup> November 2018.

Updated Financial Forecasting Return for the period 2018/19 – 2022/23 - Members were directed to the additional papers concerning (a) the updated 5-year management forecast and commentary, and (b) Version 2 of the Financial Forecasting Return (FFR) document for the period.

As background, members were reminded that the College had submitted an FFR which had been approved by the September meeting of the Board and this contained assumptions made by management, based on guidance that had been issued by the Funding Council. This showed a balanced budget for the full term of the reporting period, in line with instructions given previously by the Board.

The Funding Council had accepted this version but had subsequently asked for the College to complete and submit another version that reflected a more rigid interpretation of their guidance and assumptions. This had been done and had been discussed and accepted by the Finance Committee.

The Board considered this additional version and duly approved it.

Discussion ensued on the sector's financial position as a whole and the College's position in particular. Members reiterated that management should be aiming for a balanced budget each year and taking such steps as necessary to achieve this. Mr McAllister stated that this would be done, but that the uncertainty in so many crucial areas including grant in aid, EU funding (and its replacement, if any) and the ongoing issues surrounding the costs associated with National Collective Bargaining, meant that the College, in common with all others in the sector, would find it increasingly difficult to balance the books.

Mr McAllister said that informal feedback circulating was that several colleges had submitted FFRs which reported significant losses for the period of review. Whilst it was accepted that there may be a political advantage in doing this, the Board was not keen to go down this road. What was accepted was that should the SFC assumptions be proved to be essentially correct, the sector itself would be facing serious financial difficulties and that all colleges, including SLC, would have significant challenges in terms of maintaining financial sustainability.

Annual Report of the Finance and Resources Committee to the Board of Management from November 2017 to September 2018 – Mr Kerr presented the content of the report which detailed the work of the Committee.

The Board considered and approved the Annual Report from the Committee.

#### ▪ **Development Committee**

Ms Johnstone took members through the minute of the Development Committee which had taken place on 6<sup>th</sup> November 2018, highlighting the following:

Internal Audit Programme – the 2017/18 programme has been completed and all the audits had gone well. The findings from all internal audits are reported to the College Management Team and actions are reviewed with teams on an on-going basis to ensure completion of actions, recommendations and general compliance.

The 2018/19 internal audit programme has been approved by the QAG. The selection and identification of areas for audit are based on a range of criterion including risk, internal intelligence review and the identification of new awards.

Learner Engagement – members noted the training sessions that had already been delivered in partnership with Student Partnership in Quality Scotland (sparqs) with a total of 50 class representatives having successfully undertaken the training to date.

The Student Association is involved at every stage of the process giving direction and encouragement to new and existing students who may wish to become a class representative. Ms Paterson stated that the Quality Unit involved the Association in all planning events and that she welcomed this open and continuous dialogue.

External Verification – members noted the EV reports received across the period. The Committee had discussed the variance of examples of good practice given by City and Guilds in comparison to the much higher number given by SQA. Explanation had been given in regard to the difference in processes, however the Principal had agreed to discuss with City and Guilds the importance of giving this level of feedback. Future reports should be more on a par with SQA evaluations.

Annual Report of the Development Committee to the Board of Management from November 2017 to September 2018 – Ms Johnstone presented the content of the report which detailed the work of the Committee.

The Board considered and approved the Annual Report from the Committee.

#### ▪ **Human Resources Committee**

In the absence of Mr McDowall, Ms Harkness took members through the minute of the Human Resources Committee which had taken place on 13<sup>th</sup> November 2018, highlighting the following:

Staff Development and Training – the College continues in its commitment to developing staff. The next staff development day will take place on 3<sup>rd</sup> December 2018. The programme has been distributed and particular attention will be given to sessions focussing on engaging staff in the development of the next 5-year strategic plan.

Teaching Qualification in Further Education (TQFE) – nine members of staff will be taking up the qualification this year, with the College meeting all costs attached as agreed by the Board of Management. The College now stands at 73% of permanent teaching staff being TQFE trained.

Staff Absence – the Committee had received a report for the third quarter from 1<sup>st</sup> July to 30<sup>th</sup> September 2018. The overall percentage of absence for the quarter was 2.85% from a total of 62 instances of absence.

Members agreed that the College continued to have excellent processes in place to support staff back to work.

Health and Safety – the Committee had noted the minute of the Health and Safety Committee which met on 26<sup>th</sup> September 2018. No concerns had been raised. Discussion had taken place regarding instances of drug use within society at large and the Committee had been assured that the College had a zero tolerance policy on drug use.

Policies – the Committee had approved the following policies for forwarding to the Board of Management: Data Protection Policy Framework and Data Classification and Handling Policy.



The Board of Management agreed the policies.

Annual Report of the Human Resources Committee to the Board of Management from November 2017 to September 2018 – Ms Harkness presented the content of the report which detailed the work of the Committee.

The Board considered and approved the annual report from the Committee.

## **8. Update from the Student Association**

### Student Association Rebrand

Ms Paterson stated that since the publishing of the report some discussion had taken place with the Chair of the Development Committee regarding branding. Concerns had been raised that the organisational brand was not instantly present in the logo due to the colour choices. Whilst it was appropriate that the Student Association maintain its autonomy it seemed important to the Committee that the existing strong College brand was present.

Members noted the revised brand proposal tabled by Ms Paterson. All complimented the work and content and the new brand was noted.

Ms Paterson then took members through the key points of her report, highlighting the following:

Officer Elections and Appointments – nine student officers have been elected by their fellow students. The Board welcomed these appointments and the willingness of students to give of their time.

Graduation Ceremonies and Dinner – all a fantastic success. Ms Paterson expressed thanks on behalf of the student body for the work done by staff to make these events such a pleasure for the student body.

Freshers' Week 2018 – a great week full of exciting and informative exhibitors. The SLCSA used the event as an opportunity to engage with students, connect with them on social media and get to know the student body a little better. It is hoped that a Refresher Event will take place in January 2019 to welcome the intake of new students.

College Hoodies – the first batch sold out in a record time of three weeks. A new order is now in College and selling at the usual pace. The SA have also been researching reusable bottles and beanie hats as possible new items for sale.

Ms Paterson then took the opportunity to thank the Board of Management and the College Management Team for their support and advice during her term of office.

## **9. Publication of Documentation**

The Board approved all paperwork noted '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.