

South Lanarkshire College

Board of Management - Held 16 December 2021 at 17.30 via MS Teams

Present:

Paul Hutchinson – Chair

Chris McDowall

Clare Gibb

Ronnie Smith

Anne Doherty

Heather Stenhouse

Heather Anderson

Fiona Whittaker

Declan Hogan

Apologies

Tricia Donnelly

Craig McLaughlin

Douglas Morrison

Andy Kerr

Aileen McKechnie

In attendance

Liz McIntyre (Part)

Stella McManus

Keith McAllister

David Innes

Rose Harkness

Gary McIntosh

Lucy Nutley

Brian Baverstock- Clerk

1. Welcome and introductions

Pail Hutchinson, Chairing the Meeting, welcomed everyone to the final meeting of the Board for 2021. Regrettably most of the updates to the Board this evening will be verbal and the reasons for this are well understood.

2. Attendance and apologies

Attendance and Apologies are as above.

The Board was advised that Cheryl Robertson has tendered her resignation from the Board. This will necessitate an Academic Staff Election in terms of the Constitution

3. Declarations of Members' interest

Ronnie Smith declared his chairmanship of the Regional Board and the Board of North Lanarkshire College.

4. Update and actions from the Extraordinary Board Meeting of 30th November

The Board confirmed the record of proceeding as recorded by the Acting Clerk and approved by the Chair. That record is not for publication.

At the Regional Board meeting on 13 December, that Board approved Paul Hutchinson as Acting Chair of the SLC Board. To address the necessary consequential changes to the SLC Board, it was proposed that Douglas Morrison takes on the role at Acting Vice-Chair of the Board and Craig McLaughlin becomes Chair of the Audit and Risk Committee. In terms of the Constitution, the standing down of the Chair has created a Casual Vacancy and the Board agreed that this should be filled *pro tempore* by Paul Hutchinson

It was also proposed that Liz McIntyre be appointed as Acting Principal. The appointment would be until 31 March 2022, or shorter depending on the outcome of the independent investigation.

The Board **approved** these changes.

Liz McIntyre joined the meeting at this point.

The Acting Chair provided the following update on the steps that have been taken since the EDM on 30 November:

- Letters confirming the suspensions of the Principal and the interim Clerk to the Board have been issued and, in the case of the Chair, an acceptance of his offer to stand down from The Chair *pro tempore*.
- The terms agreed by the Board mean that the suspensions will operate on the basis of rolling 4-week blocks, to ensure the period is no longer than necessary. The end of the first period is 28 December and therefore will need to be extended.
- Two independent investigators have been appointed. Their names are not for publication at this time

- On legal advice, any public statements should be limited but a communication to staff and students and is being prepared.
- Efforts are continuing to identify and appoint a suitably qualified and experienced Acting Board Secretary/ Clerk.

5. Minutes from Board Meeting on 4 November

Unfortunately, we do not have properly formatted minutes for the meeting of 4th November, or indeed for committee meetings held in that month but there are handwritten notes which can be transcribed when a qualified person is appointed – which it is hoped will be in early course.

6. Acting Chair's update

Most of what is to be reported has already been covered in the actions from the EBM.

As already referenced, there was Regional Board Meeting on 13 December, and the Acting Chair wished to record his appreciation for Ronnie Smith's ongoing support. The Regional Board does have a role in relation to oversight of SLC and as part of how this is exercised the RSB has asked this Board to prepare a Governance Improvement Plan. This will be referenced later under agenda item 12.

The Acting Chair stressed that SLC continues to be a high performing college and that the issues we are currently facing should not detract from the ongoing excellent hard work of staff and the achievement of our students.

All of this was duly noted.

7. Depute Principal update

Wider sector update:

The staff side at the Employers Association rejected the last management offer. The management side has tabled its final offer of £850 for all lecturers and a recognition award of £150 as a one-off payment for 2021-22. The next meeting was today but the outcome is not yet available.

Recruitment across the sector has shown a marked decrease, and the Colleges Development Network are undertaking research through looking at data returns to the SFC as to why this may be the case. This work is being done in 3 phases with a focus on short, medium and long term actions.

The interim phase 1 has been published today and has considered FES data returns over the past 3 years. Further work will look at applications and conversion to enrolments across the sector, as well as SDS data to have further insights with a report being published in January.

Key points for the Board to note are that the sector is facing a challenging time as there has been an overall reduction in enrolments across all modes and levels of 28.7% from 2019-20 to 2021-22. 10% in annual year 2020-21 and a further 20% in 2021-22.

Of the circa 56,000 reduction of enrolments at all levels across the sector, PT FE made up 42.9% and PT HE made up 2.5%. That is reflective of SLC. Age groups that saw the biggest reduction in enrolments at all modes and levels were under 16s (54%) and over 25s (34%)

More work is being done to analyse the available data so that informed decisions can be made as to how the sector can address this situation.

College update:

SLC's revised approach to curriculum planning will clearly set out the intent of the curriculum of the College based on strategic and local priorities and seek to consider what our key strategic curriculum areas should be. Our 2022 launch will be at the end of January.

The college is working to ensure that it can meet its credit target despite these wider challenges. The continuation of the SFC flexibilities will help with that, although as expected no clarification has been given by the SFC on if colleges will face clawback if their core is not met, and if Jan recruitment is positive then the college should hit its target.

Currently predictions are that we are slightly under target by about 300 credits (approx. £100k), as opposed to 1700 (£500k) at the last CQD committee. However, that could increase if Jan recruitment does not go well. The key issue now is OMICRON and the risk this poses. There are back up plans in the pipeline to ensure that core targets are met and management are confident that core target can be hit.

A key risk is that credits for Foundation Apprenticeships are not transferable to other provision. There is an excellent FA relationship with South Lanarkshire Council who fund delivery of FAs. This is the first year that colleges have been given their own credit funding to deliver these and this college set up an additional framework but unfortunately there are still 300 credits outstanding.

Applications for January are positive with 625 applications being received, and 560 accepted.

All of the above was noted.

8. Finance Update

Keith McCallister updated the Board on progress with the preparation of the draft Annual Governance Statement (AGS).

Audit Scotland had confirmed the Annual Report and Accounts could be signed off by the Acting Chair and Principal. The draft AGS would go to the chair of both the ARC and the FRC.

Lucy Nutley said it was important to bare in mind that the external auditors are likely to need time to turn around the work that they will need to undertake. She advised that the approvals (by SLC and the RSB) should be as close together as possible and preferably even on the same day.

Ronnie Smith reminded the Board that the SLC AGS was an important element in consolidating the Regional accounts and expressed concern over the delay in getting this document finalised and ultimately to the RSB.

Paul Hutchinson emphasised the urgent need to get a clear timeline for the approval of the accounts, including how and when it ties in with the RSB, which sets a final date for submission to the SFC.

There has been excellent progress in the migration from the old groupwise email system to Outlook. Work is also underway to implement Power BI reporting which has resulted in a new curriculum planning tool meaning that for the first time the college will have a costed curriculum plan.

Success Stories

The Board was pleased to note that the HR team won the S1 Jobs national award for inclusivity and diversity practices in recruitment and employment at an online ceremony in August.

SLC was shortlisted as a finalist for the Herald Higher Education Awards in the Outstanding Business of the Year Category.

SLC has also been shortlisted as a finalist in the Lead 50/50 awards this year in the Executive Leadership category - in recognition of the College commitment to diversity and inclusion within and across the College.

SLC has also been shortlisted as a finalist at the College Development Network Awards 2021 for the Employer Connections Award.

One of the Hair & Beauty students won 2 bronze awards at the British Hair and Beauty Awards 2021 and a Hair & Beauty student won Gold at the UK Wella Exposure competition in London last week.

The HNC Pastry students served dessert to 320 people at the annual Hospitality Industry Trust (HIT) lunch.

COP26 presented an opportunity for the College to showcase the sustainable activities. A number of the Hospitality students worked with Compass Catering and the prestigious London-based catering firm, Payne & Gunter, to provide the catering for the COP26 event – including cooking dinner for President Biden.

SLC has also been asked to host the National Housing Building Annual conference in April 2022.

The Great British Slate Off competition was held in Hereford in November and was won by an SLC student who will now be competing at WorldSkills.

The Finance Manager was then tasked with:-

Ensuring timeous submission of Annual Accounts to Acting Chair and

Circulating to Board Members the new Risk Procedure

In course of discussion the acting Chair stressed the importance of KPIs and wants their development to be treated as a priority. The Deputy Principal indicated that this was work-in-progress using Power BI which would reported back to the Board in due course.

9. Student Vice President update

Rose Harkness provided the following update on behalf of the student vice president.

The Student President is now on maternity leave but it was hoped to recruit a further Vice President who could cover as an Observer.

The Student Association had held a very positive and productive Freshers' event in mid-September where the theme was Student Mental Health and Wellbeing. They also launched the new SA Student Mental Health Agreement which covers the period 2020-2022 - in partnership with the NUS Think Positive campaign, along with the SLC Supported Pathways to Wellness process for students

She was delighted to report that 1,000 free health and wellbeing boxes had been delivered to students.

To continue to meet the SA objective of addressing student poverty the SA purchased another batch of branded college hoodies and these are heavily subsidised to ensure students have access to good quality item at modest cost. This initiative had been praised by NUS Scotland and the SA were invited to speak at the annual conference about the positive impact this had on the students.

The Board should be aware that the College was one of only two colleges within Scotland to take part in the EmilyTest GBV Pilot Charter for college and universities. The SA has been actively involved in the process and have been reviewing college policies and procedures to help shape GBV prevention activity across the college community.

9.1 Human Resources Committee 15 November 2021

The Chair of the Committee provided the following highlights:

- Headcount remains stable and the most senior departure was an Associate Principal.
- Absence, particularly longer-term, is higher than in previous years and the Committee had looked at action being taken and possible improved ways of reporting on absences going forward.
- Reports had been received on the various and very positive Health and Wellbeing activities across the College and the HSE organisational risk assessment and associated action plan that would come back to the Committee
- The public sector equalities duties were considered and the Committee approved the proposed equality outcomes
- Assurances had been received about compliance with government guidance on responding to the pandemic.

9.2 Audit and Risk Committee 17 November 2021

The Chair of the Committee provided the following highlights:

- New internal auditors (Henderson Loggie) will present their audit plan to the next meeting of the Committee
- On External Audit, the focus of discussion was around the challenges to getting the annual accounts approved. Given the concerns, the external auditors highlighted the risk that the accounts could be qualified.
- As a measure to improve governance and the links with the RSB, the Chair of the SLC ARC will attend the RSB ARC and vice versa.

9.3 Finance and Resources Committee 18 November 2021

The Chair of the Committee provided the following highlights:

- Agreed in principle that ‘technical’ questions would be provided in advance of the meetings in an effort to free up time to consider more strategic matters. However, there is a need to ensure a process for this is developed to ensure good governance is applied.
- Agreed that finance training should be extended to all Board Members.
- The figures in the accounts for 2020/21 were scrutinised and appear correct, although the figures need to be seen alongside the narrative report.
- Reviewed the Management Forecast and noted: conservative approach to forecasting income; sector wide decrease in enrolments; still early in the financial year; not a clear position yet on possible SFC clawback and the possible need to flex figures at the half-year point.
- Commended the executive team on its financial oversight of estates work and keen to explore a more high-level form of reporting to the Committee to allow it to track actual progress against planned.
- The Committee agreed to recommend to the Board the approval of the additional £90k spend on the roof and the works in the plant rooms of c£75k.
- The Committee noted the progress on backlog maintenance; the accessibility issues with lifts; and the contribution that the Estates Strategy will make towards Net Zero Carbon when the Strategy is complete.
- The Committee noted that the APUC report highlight issues of non-compliance with procurement best practice, not non-compliance of financial procedures. The Committee has asked to see a report for its next meeting on the route to full procurement best practice compliance.

The Finance Manager was tasked with circulating the APUC report to all Board Members

9.4 Curriculum, Quality and Development Committee 23 November 2021

The Chair of the Committee provided the following highlights:

- Attainment is lower than in previous years due to the impact of COVID, mostly in FE related courses. However, attainment rates across all HE provision are positive. Retention is strong at 90%.

- The college continues to engage with schools to showcase SLC as a viable next step in their education and is in attendance at a range of school events where possible.
- Applications remain as a key risk and priority with a decrease in applications by 24% year on year. Plans are in place to minimise risk of continued decrease of applications.
- 2022-23 course launch planned for 20 January. Marketing supported the review of the curriculum plan in line with the curriculum intent piece producing a labour market intelligence and research paper for each subject area.
- The graduation was a great success. 192 graduands attended the ceremonies over two days with many board members and special guests in attendance.
- Brand articulation and website tenders now live for response, the brand piece will be concluded in March 2022 and will launch in Aug 2022. One of the newer Board members will also support this.

10. Lanarkshire Outcome Agreement 2021/22

The Depute Principal provided the following highlights

- The Outcome Agreement went to and was approved by the RSB on 13 December.
- The Outcome Agreement sets out what the Lanarkshire Region will provide in return for SFC funding in 2020/21.
- The SFC consider the OA for this and the previous year to be 'interim' and their guidance on content has been very limited and it is not clear if they will provide any feedback to colleges.

Decision The Board approved the Lanarkshire Outcome Agreement for 2021/22

11. Self-Evaluation 2020/21

The Depute Principal provided the following highlights

- Similar to the OA, the SFC requires the College to undertake an annual self-evaluation focussing on the quality of provision. The structure of the document is determined by the SFC.
- The self-evaluation also goes to Education Scotland and will be used as part of their progress review, scheduled for February 2022.

Decision The Board approved the Colleges' self-evaluation for 2020/21

12. SFC Review update

Brian Baverstock highlighted the following:

- The SFC Review report was previously circulated to Board Members and, just in advance of this board meeting, to members of the SLT. The circulation of the report has been tightly controlled by the SFC.
- The SFC Review report makes a relatively small number of recommendations but also highlights findings, some of which are presented as if they are intended as recommendation. For completeness, the Action Plan draws from the report all points which reasonably might be considered to require a response from SLC.
- The SFC Review report refers to the need to address 'current complaints'. This action has not been added to the Action Plan given that separate processes have now been established to undertake independent investigations.
- At this stage the Action Plan has been limited to addressing the SFC Review, so as to clearly demonstrate that the necessary actions are being taken. However, the Action Plan should be extended into a broader 'Governance Improvement Plan' to capture relevant actions from other sources, e.g. the Azets Review; External Board Effectiveness Review; and the current independent investigations.

Board Members discussed the following key points on the Action Plan:

- The need to priorities the actions and allowing the Executive team time to consider the remedial work that was needed. In terms of timescale, the action relating to review and update of policies will take the longest to complete and it will be particularly important to ensure clear prioritisation and this work should be overseen by the Human Resources Committee.
- Concerns were expressed about the level of redactions in the report and the Regional Chair will continue to press the SFC for an unredacted version.
- It is important not to see the SFC Review in isolation and important therefore that the Action Plan is extended into a broader Governance Improvement Plan.

Decision The Board approved the SFC Action Plan, subject to this being extended into a broader Governance Improvement Plan.

13. Annual Report and Accounts 2020/21: Audit progress report

Lucy Nutley highlighted the following:

- This update report would normally be provided to the ARC but because of events it was considered helpful to share it with the full Board.
- The external audit on the financial statements is complete and no material errors or internal control weakness have been identified. The audit will recognise, as with last year, an emphasis of matter in relation to property valuation because material uncertainty of the valuation, given the current economic climate. This will have no

impact on the financial statements and how they are interpreted by Audit Scotland and the SFC.

- The wider scope element of the audit cannot commence until the auditors have the full annual report, including the Annual Governance Statement. Given the perception of concerns about governance at the College, the 'usual' small body exemption will not be applied this year. As a result, there will be an additional audit fee of, at least, £5,500.

Decision: The Board noted the update from the external auditors

14. AOCB

The Board received an update on an approach from OSCR and the need to provide them with a formal communication from Trustees setting out events at the College.

In response to questions, the Board was informed that the Principal and Interim Board Secretary have access to College support services; have a line of communication through the HR Manager; and the need to extend the period of the suspensions will be influenced by their availability to participate.