

**Minute of the Extraordinary Board Meeting  
held in Kilmarnock Campus  
on Thursday 6 March 2014 at 5.30 pm**



**Present:** Willie Mackie (Chair)  
Nicki Beveridge  
Kathryn Cole  
Bill Costley  
Heather Dunk (Principal)  
Steven Fegan  
Barbara Graham  
Gordon James  
Marie Macklin  
Alan Walker  
Tom Wallace

**In attendance:** Michael Breen  
Brendan Ferguson (Minutes)  
Bernadette McGuire  
Jane McKie  
Eileen Mackin  
Mary Palmer

**1 Welcome and Introductions**

The Chair welcomed everyone to the meeting.

**2 Declarations of Interest**

A declaration of interest in relation to Item 5 on the Agenda was noted by Steven Fegan and Mary Palmer.

**3 Apologies**

Apologies were received from Jackie Galbraith, Stephen Greenwood and Waiyin Hatton.

**4 Appointments**

**Appointment of Regional Chair**

Willie Mackie confirmed that that he had received notification from the office of the Cabinet Secretary of his appointment as Regional Chair of the Ayrshire College Board of Management. The appointment took effect on 3 March 2014. On that date Ayrshire College was formally designated as the Regional College for Ayrshire and the Board of Management designated as the Regional Board of Management of Ayrshire College. This marks the start of the formal roll out of the Post-16 Education Scotland Act, 2013. There are a number of

paragraphs in the Bill which will impact on the appointments to and membership structure of College Boards of Management. In addition, a document entitled “*College Sector Board Appointments: Draft Ministerial Guidance*” has been circulated by the Scottish Government as consultation on the process to be adopted for the appointment of College Board Members in the future. That consultation document has been circulated by the Board Secretary to members in advance of the preparation of a Board response. In the meantime the Chair indicated that he would arrange for informal meetings to take place between himself and each Board Member over the next few weeks to discuss the current position and the transitional arrangements for the Board of Management.

Members welcomed the news of the Regional Chair appointment and expressed their delight at the decision of the Scottish Government

### **Appointment of Principal as a Trustee of Dumfries House**

The Chair reported the appointment of the Principal, Heather Dunk, as a trustee of Dumfries House. This is a very prestigious appointment which reflects on the Principal as an individual and also Ayrshire College. The Chair added that members would be aware of the tremendous efforts made by HRH Prince Charles and the Trust to renovate and reinvigorate the Dumfries House Estate as a national asset and of the excellent progress that has been made in this respect. The Principal’s appointment is a recognition of the esteem in which she is held and will be enormously beneficial to the Dumfries House Trust as they continue to preserve the estate and its heritage to the benefit of the local economy. It is also recognition by a prestigious local employer of the contribution being made by Ayrshire College towards meeting the needs of employers and the economy of Ayrshire.

Members again welcomed this appointment and the recognition bestowed on the Principal and Ayrshire College.

## **5 Ayrshire College New Campus Project (*Paper 1*)**

The Board noted the above paper and the commentary therein. The Board also noted the support for the recommendations contained within the paper received at the Estates & New Campus Development Committee held on 25 February. In particular the Board were pleased with the progress of the Project through the approval stages of both the Scottish Futures Trust (SFT) and the Scottish Funding Council (SFC). The turnaround time of the Decision Point 4 update report of 7 days by Scottish Ministers was considered remarkable, reflects well on the hard work undertaken by the Project Team and the confidence Ministers hold in Ayrshire College. Members also commended the co-operation of East Ayrshire Council Planning Department for scheduling a special meeting this month to consider the progress of the planning application towards meeting the conditions of planning approval.

The Project Sponsor, Michael Breen provided the Board with an update on the current status of the Ayrshire College New Campus Project (the “**Project**”). It was explained that the Project Documents listed below would be entered into on behalf of Ayrshire College Board of Management [and that they were not yet in final form and would be subject to further amendments in the light of further negotiations and final agreement, as agreed by a combination of any two signatories from Principal and Chief Executive, Ayrshire College, Chair of Board of Management, Vice Chair of Board of Management and Vice Principal, Corporate Services having considered the advice of the external advisors and having secured Scottish Futures Trust approval to any amendments. It was explained that the Project was moving towards financial close.

The Project Documents referred to above (references to defined parties being as defined in the Project Agreement) are:

- a. Project Agreement to be entered into between (1) the Board; and (2) [Project Co] (“**Project Co**”);
- b. Funders’ Direct Agreement to be entered into among (1) the Board; (2) Aviva Public Private Finance Limited as Security Trustee for the Senior Funders (the “**Security Trustee**”); and (3) Project Co;
- c. Scottish Government Undertaking to be entered into among (1) the Board; (2) the Scottish Ministers; and (3) the Security Trustee;
- d. Insurance Proceeds Account Agreement to be entered into between (1) Project Co; (2) the Board; (3) [the account bank] as Account Bank; and (4) the Security Trustee;
- e. Any agreements that may be necessary associated with payment and banking arrangements;
- f. Contractor Collateral Agreement to be entered into between (1) the Board; (2) the Contractor; (3) Project Co; and (4) the Security Trustee;
- g. Service Provider Collateral Agreement to be entered into between (1) the Board; (2) Service Provider; (3) Project Co; and (4) the Security Trustee;
- h. Independent Tester Contract to be entered into between (1) the Board; (2) Project Co; (3) [Independent tester]; (4) the Security Trustee; [and; (5) (if required) the Contractor;]
- i. Collateral warranty agreements to be entered into between (1) the Board; and (2) each of the design team;
- j. Collateral warranty agreements to be entered into between (1) the Board; and (2) each Key-subcontractor;
- k. Letter/notice appointing B Director to the board of Project Co and any other documentation required in connection with the SFT’s B Director appointment; and
- l. Any additional documentation relating to the project to which the Board requires to be a party.

**The Board of Management agreed that:**

- A. Approval to enter the Project Documents listed be given subject to (to the extent required) SFC Consent and any other consents required under legislation and subject to SFC confirmation of revenue funding support and funding support for other project costs;
- B. the Principal and Chief Executive and Chair of Board of Management or their delegated nominees be authorised to sign on behalf of Ayrshire College Board of Management the Project Documents (subject to such amendments to the Project Documents as shall be agreed by either the Principal and Chief Executive and Chair of the Board of Management, having considered the advice of the Board's external advisors) and any additional documentation required in connection with the Project; and
- C. The Principal and Chief Executive and Chair of Board of Management or their delegated nominees be authorised as the named individuals on behalf of the Board of Management for the purpose of the insurance proceeds account to be opened in terms of the Project Agreement and Insurance Proceeds Account Agreement.

**6. Draft Grant Agreement between Ayrshire College and Ayrshire College Foundation (*Paper 3*)**

The draft Grant Agreement between Ayrshire College and the Ayrshire College Foundation was received as draft. M Breen explained the purpose was to allow the Board of Management prior sight of the contents and structure before the meeting of 27 March 2014. The grant agreement, although draft at this stage, will be finalised after a review by both Turcan Connell and KPMG.

**Signed by the Chairman** \_\_\_\_\_

**Date: 27.03.14**