

**Minute of the Board of Management Meeting
Held in the Boardroom, Kilmarnock Campus
On Tuesday 30 September 2014 at 5.30 pm**

Confirmed

Present: Willie Mackie (Chair)
Angela Alexander
Heather Dunk
Julie Bradley
Barbara Graham
Waiyin Hatton
Gordon James
Alan McGregor
Marie Macklin
Robin Northcote
Fiona Skilling
Alan Walker
Tom Wallace

In attendance: Brendan Ferguson (Board Secretary)
Sharon Graham (Observer)
Michael Breen
Jackie Galbraith
Eileen Mackin
Bernadette McGuire

1 Welcome and Introductions

The Chair welcomed everyone and in particular extended a warm welcome to the newly appointed members: Angela Alexander, Julie Bradley, Alan McGregor, Robin Northcote and Fiona Skilling, who were attending their first meeting as Board Members.

2 Apologies

Apologies were received from Nicki Beveridge, Bill Costley, James English, Stephen Greenwood, Emma Hall and Jane McKie.

3 Declarations of Interest

There were no declarations of interest.

4 Chair's Report

The Chair reported the following:

- The Irvine Royal Academy Project continued to progress well. The works were on schedule with phase 1 (accommodation for Sports & Fitness provision and ICT facilities) complete and Phase 2 (an earlier than initially proposed introduction of Hospitality provision) scheduled for completion in October 2014. Congratulations were due to all parties who had worked so hard to ensure the realisation of this important project.
- The Chair reported that he had recently been appointed to the Board of Skills Development Scotland (SDS). That role is seen as complementary to the Chair's role with Ayrshire College, as SDS is committed to the ongoing development of vocational education across Scotland and the implementation of the Wood Commission Recommendations.
- As reported to a number of the Board's Committees, Colleges Scotland prepared a robust response to the proposed Addendum to the Financial Memorandum circulated for consultation by the Funding Council and also the proposal in relation to the introduction of Self Insurance for Scotland's Colleges. As a result there had been some amelioration of these proposals and these revisions were being further considered.
- A very positive meeting of the Ayrshire Economic Partnership was recently held at which there was a recognition that the level of skills provision in Ayrshire had never been higher. Jackie Galbraith attended the meeting and was excellent in demonstrating the strategic role being played by Ayrshire College in identifying, in partnership with local employers, the skills requirements of the Ayrshire economy followed by the preparation of skills training and educational provision tailored to meet those requirements.
- A number of unscheduled visits had been undertaken by the Chair and the Principal across the campuses since the previous meeting of the Board, including a number of breakfast visits. These visits had proved to be very interesting, useful and revealing in terms of gaining a clearer understanding of the day to day operation of the College. The Chair commended these visits to Board members.
- Prior to the next meeting of the Board, agreement would be reached with members on the term of their individual appointments to the Board. This had been mentioned during the interviews held in May when it had been explained that appointments would be staggered over two, three and four years to avoid the situation of all Board members concluding their period of office at the same time. The Chair stated that he would contact Board Members individually in this regard.
- The Chair intimated that, with the new Board in line with the 2013 Act now in place, a vacancy existed for the office of Vice Chair of the Board. Members were asked to declare their interest in the position to the Board

Secretary by 10 October 2013. If more than one member declared an interest than the Secretary would arrange for an election to be held to fill the office.

5 Minute of the Ayrshire College Board of Management Meeting on 25 June 2014 (Paper 1)

Subject to some minor editorial amendment the minutes of the meeting held on 25 June 2014 were confirmed as an accurate record

Proposed by Alan Walker
Seconded by Waiyin Hatton.

6 Matters Arising

There were no matters arising which were not addressed elsewhere on the agenda.

7 Standing Committee Minutes and Reports of Meetings

Audit Committee Minutes – 17 June 2014 (Paper 2)

A Walker, Chair of the Committee, reported all actions from the above meeting had been completed.

Audit Committee – 9 September 2014

A Walker reported the following as among the items dealt with at the above meeting:

- 2013/14 Board of Management Report & Financial Statements: a slightly different presentational position had been adopted for these accounts in that trading and the exceptional items of expenditure were disclosed separately to aid clarity. The External Auditors KPMG were fully supportive of the presentation.
- Annual Report to the Board of Management & Auditor General: KPMG confirmed that all matters had been concluded in respect of the internal audit process and all documentation, once signed by both the College and KPMG, would be forwarded to Audit Scotland and the SFC.
- KPMG advised that while they were content to sign off that there were no consolidation issues between the College and the Foundation in 2014/15 and that this will be an annually recurring theme in line with the rest of the College sector.

- Letter of Representation (KPMG): This represented the standard letter for the Chair of the Board and the Principal to sign off when the accounts were approved. There were no issues raised by KPMG.
- FES/SUMS and Student Funding Audits: Scott Moncrieff had reported that while this was still work in progress, there was no indication that there would be anything of significance to report.
- 2013/14 Audit Committee Report: It was agreed to approve the report and present it to the Board.
- Internal Audit Report on ICT: The Committee spent some time on this given the nature of the report in comparison to the previous internal audit reports received. Scott Moncrieff reported that whilst three red risks were identified, the background to this report was important. In the period since merger the College had undertaken the significant task of bringing 3 ICT structures together. The Audit took place 2 months after that team structure had been completed. In Scott-Moncrieff's view a lot of good work had been completed and an impressive number of issues had been addressed. The internal audit had identified a number of items of control improvement and Scott-Moncrieff was confident that these would be addressed. They felt that the current stage of development of College's ICT systems was not inconsistent with any organisation going through a period of significant change and that the identified issues could be addressed in a planned and structured manner.

The Committee had agreed that the setting of the report in context had been very helpful and that urgent action was required to ensure that the red issues were quickly addressed. The Committee asked that the risk assessment (FIN 3) in relation to these red issues be raised to 16 pending their satisfactory completion.

- Internal Audit Plan: The Committee agreed the addition of a further audit to review the processes for Purchasing and Tendering: this to be undertaken following the completion of the Procurement Capability Assessment which was scheduled for the end of 2014.
- Ayrshire College Risk Register: The Risk Register was approved subject to the amendment of the raising of the Fin 3 risk. Some discussion took place regarding the forthcoming Board Development Day. The mutual understanding of the processes of Risk Management and the preparation of the corporate risk register were identified as a workshop subjects for the Board and the EMT.
- New Campus Risk Register: This represented the first one to be received following the entry to the construction phase. A Walker would pursue with W Hatton the issue of where the respective responsibilities for this risk register lie.

Estates and New Campus Development Committee – 10 June 2014 (Paper 3)

W Hatton, Chair of the Committee, reported that all actions from the above meeting had been completed.

Estates and New Campus Development Committee – 19 August 2014.

W Hatton reported the following as among the items dealt with at the above meeting:

- Prior to the start of the meeting, McLaughlin & Harvey hosted an interesting and informative visit to the construction site for the New Build Kilmarnock Campus. The Committee witnessed the impressive progress made since completion of the Procurement Phase in June and were shown how the site would be laid out and how the Construction Phase would proceed to completion scheduled in May 2016. The Committee welcomed the appointment of the Clerk of Works to the project, Adam Jones
- The Principal reported that the Ayrshire College Summer 2014 Projects had been placed on hold pending re-tendering following the Extraordinary Board meeting on 8 July. The Principal then presented an update on the works which had been undertaken and completed over the summer.
- A progress update on the Irvine Royal Academy project was received. The Committee was very pleased to note that the contract had been awarded to a local North Ayrshire Company. The Committee was pleased and excited by the progress being made and how work is being progressed in partnership with the School.
- In relation to the Ayrshire College land and properties for sale, a verbal report from Michael Breen stated that the cottages owned by the College and adjacent to the Ayr Campus were currently being marketed by Slater Hogg, with good interest being shown. With regard to the land in Ayr and the land and property in Saltcoats, nothing had come from the interest shown to date. An options appraisal was being prepared.
- New Campus Risk Register – The Committee received version 1 of the New Campus Risk Register for the Construction Phase of the Project. As this Risk Register was presented in a different manner to the Ayrshire College Corporate Risk Register some difficulty was experienced in matching the two, albeit that it was reported that they had been aligned. Members asked that, in future presentations, the Level A New Campus risks be presented alongside the text associated with the corporate risks to ensure a clear and transparent alignment of the two risk registers.

Finance Committee Minutes – 12 June 2014 (Paper 4)

T Walker, Chair of the Committee, reported all actions from the above meeting had been completed. T Walker also reported that the outstanding action from the meeting held on 13 March in relation to the Risk Register had also been completed.

Finance Committee – 21 August 2014

T Wallace reported the following as among the items dealt with at the above meeting:

- Financial Year 2013/14.

Statutory Financial Statements – A draft of the statutory financial statements was received within which it was noted that there had been few changes from the statements presented to the June meeting. The unique and challenging nature of financial year 2013/14 was again noted as was the need to ensure that the financial statements were presented in a clear manner which sought to prevent, where possible, misinterpretation or misunderstanding. The College was praised for its fiscal management in showing a trading surplus at the end of this challenging period although the year end position was significantly impacted by strategic exceptional items. The Committee also noted the revised approach of including the Kilwinning Campus PFI contract on the balance sheet.

- Financial Year 2014/15:

The 2014/15 Management Accounts at June 2014 – This represented the first quarter of the Financial Year and few assumptions could be made on trends at this stage. A SWOT Analysis was also introduced under this early item. The Committee agreed that this was a useful and commendable exercise, but it was considered to be more of a strategic than a financial tool which potentially could best sit beside the Corporate Risk Register.

2014/15 Capital Expenditure Position – Again early in the Financial Year and the profile presented was broadly in line with expectations.

2014/15 Cash Flow Forecasts at July 2014 – The College is now required to submit to SFC an evidence based formal request for funds on a monthly basis. This document showed the mechanism for making the monthly request and the projected amounts to be requested across the year. It was welcomed and commended by the Committee as an excellent tool for keeping a tight rein on the amount being requested on a monthly basis and for ensuring an appropriate spread of funding across the academic year.

- Non NPD Costs Financial Report at June 2014: Michael Breen reported on the position of the of NPD costs for the New Campus Project and that the College would discuss with SFC the reallocation of the remaining funding and how it may be used to best effect in the future. The Committee supported this position.
- Business Development and Education Contracts – The report summarised the activity to 31 July 2014. It was welcomed by the Committee which was pleased by the progress being made and encouraged an optimal approach toward maximising the available market potential.
- Risk Register: The Finance Cluster from the Corporate Risk Register was received and considered. It was agreed that, following the internal audit report and the successful completion of the Board recruitment process, the forthcoming development day should include a workshop on Risk Management involving the Board, the EMT and preferably Scott Moncrieff as facilitators.

Learning and Teaching Committee Minutes – 19 March 2014 (Paper 5)

B Graham, Chair of the Learning and Teaching Committee, reported that, with the exception of the Chaplaincy arrangements, all actions from the above meeting had been completed. The Chaplaincy arrangement remained an action under active consideration.

8 Ayrshire College Board of Management Constitution and Governance Arrangements (Paper 26)

- i. The Board Secretary, B Ferguson, verbally reported that the Scottish Government had updated the Board of Management Code of Conduct issued for the observance of all Board Members within Scottish Colleges. This was a compulsory inclusion, and appeared as Section 5 within the Board of Management Constitution and Governance Arrangements in the Induction Day Folder provided for members on 1 September 2014. Members were urged to familiarise themselves with Section 5 as part of their responsibilities and duties as Board Members.
- ii. B Ferguson introduced the draft Self Evaluation of Effectiveness Questionnaire for consideration, stating that under the terms of the Constitution and Governance arrangements approved by the Board in June 2014, there was a requirement for the Board to undertake a self-evaluation of its effectiveness over the course of each College year (Paragraph 2.3 Bullet Point 15). It was also noted as an action to be completed in the findings of the recent internal audit of governance arrangements. It was proposed that a two pronged approach be taken to this. The first was an Attendance Analysis by spreadsheet of members' attendance at the Board and Sub-Committee meetings. It was the

intention that emerging trends could be identified from this analysis, including e.g. attendances and how they may relate to the days and times of meetings.

The second approach would entail the completion of a self-evaluation questionnaire (previously circulated: paper 26) designed to allow members to rate and provide views on a range of factors relating to the operational efficiency and effectiveness of the Board. An analyses would then be undertaken and presented to the Board for consideration as appropriate.

Members noted the proposals and stated that it was felt that the approach described represented a good start to the self-evaluation process. W Hatton noted that the questionnaire must ensure that the text of the Board's Primary Responsibilities, as laid out in the draft questionnaire, matched that contained within the Constitution and Governance Arrangements. It was agreed that members could forward comments directly to the Board Secretary and that the appropriately revised self-evaluation questionnaire would then be circulated to members of the 2013/14 Board of Management for completion, with a view to extending it to the Board and its Committees for the evaluation of the 2014/15 year.

Action: Board Members were asked to forward comments on the Draft Self-Evaluation Questionnaire to the Board Secretary by 7 October 2014. The Board Secretary would then make appropriate adjustments to the questionnaire on the basis of the comments received and circulate it to members of the 2013/14 Board of Management for completion. An analysis of the completed questionnaires would be carried out and reported accordingly to the Board for consideration at its December 2014 meeting.

9 Board and Board Committee Terms of Reference (Paper 6)

B Ferguson introduced the above paper and reminded members that Section 3, Board and Committees' Terms of Reference, remained outstanding when the remainder of the Constitution and Governance arrangements were approved at the June 2014 meeting of the Board. As such the pre-existing terms of reference and committee structure remained extant while a review proceeded over the summer months. As a consequence of that review it was concluded there was no case for a change in the committee structure in 2014/15 or for any significant change in the terms of reference. There were, however, a number of "housekeeping" changes to the terms of reference required and these had been highlighted in red within Paper 6. B Ferguson then took members through the proposed changes and their rationale.

Members were supportive of all of the changes proposed. W Hatton commented that an outstanding action remained on the Chairs the Estates and Finance Committees regarding a clarification of the terms of reference relating to those committees' roles in considering the financial viability of estates projects. That matter was currently under consideration.

Action: The Board approved the above proposed changes to the Board and Committees' Terms of Reference for immediate incorporation as Section 3 of the Constitution and Governance Arrangements, subject to the resolution and inclusion of the outstanding item of clarification between the Estates and Finance Committees.

10 2013/14 Annual Financial Statements (*Paper 7*) and External Auditor's (KPMG) Annual Report to the Board of Management and Auditor General (*Paper 8*)

M Breen introduced the Financial Statements (*Paper 7*) and stated they represented the outcome of a very unusual and challenging 8 month financial year¹. M Breen continued that Board Members were already aware of the different presentational aspects designed to take account of the trading surplus generated over the period, and the overall deficit recorded as a result of the strategic items which sat within the 2013/14 financial statements. Members were reminded that the exceptional items included:

- i. the impairment of the Holehouse Road Kilmarnock Campus, resultant on the Financial Close of Phase 1 (procurement) of the New Campus Project being achieved in June 2014 (post balance sheet);
- ii. the donation made to the Ayrshire College Foundation.

M Breen concluded by stating that there had been very little change between the figures presented pre and post the external audit, and KPMG (external auditors) have issued an unqualified opinion on matters.

M Breen stated that in relation to *Paper 8*, David Watt of KPMG had produced a very detailed report which he stated had been prepared on the basis of the most complex set of accounts he had audited within the College Sector. David Watt had praised the quality of the College's accounting and financial management system and had agreed that the accounts prepared offered a true and fair reflection of the financial operation the College. M Breen concluded by stating that there was nothing further that he or KPMG wished to highlight to the Board. *Paper 8* represented, in his opinion, a very good report and KPMG had stated their satisfaction with the outcome and presentation of the accounts.

The Chair thanked M Breen, A Gordon and all of the Finance Staff involved in the preparation of the accounts. The Chair added that the above documents represented an outstanding achievement, particularly in the light of the exceptional financial year that the College has faced.

Several members raised the issue of how the College would manage possible adverse reaction to the accounting deficit which may follow the publication of the accounts.

¹ This shortened 8 month reporting period, from 1 August 2013 to 31 March 2014, was brought about by the change in the accounting year resultant on the ONS reclassification of incorporated Colleges in Scotland, effective from 1 April 2014.

The Principal, H Dunk, replied that the College was aware of this possibility and would prepare a media statement. Elected representatives will be informed. In addition, Colleges Scotland would prepare a statement for the sector as a whole which would face similar issues, e.g. donations to foundations. It was important, if questions were raised, that the public were reassured that the College had not lost money in 2013/14, and had made a trading surplus.

The Board welcomed and approved the External Auditor's Annual Report to the Board of Management and the Financial Statements. The Board congratulated the College on its excellent financial management during a very challenging first year of operation

11 Letter of Representation to KPMG (Paper 9)

M Breen reported that the Letter of Representation was standard draft with no deviation from the normal content.

The Board approved the signing of the Letter of Representation to the Auditors

12 Scott Moncrieff Annual Internal Audit Report (Paper 10)

M Breen reported that annual internal audit report for 2013/14, which covered the audits of Financial Systems, Corporate Governance, Value for Money and Risk Management, was a very positive report for the College. The Internal Audit Opinion reported by Scott Moncrieff was that:

"Ayrshire College has a framework of controls in place that provides assurance regarding the effective and efficient achievement of the College's objectives and the management of key risks."

The opinion also provided assurances concerning the arrangements in place to promote value for money, and the delivery of best value.

A Walker, as Chair of the Audit Committee, confirmed that all of the items which came to the Audit Committee on 9 September had been approved.

The Committee welcomed the above Annual Internal Audit Report and congratulated the areas which had been the subject of the internal audits within the report on their efficiency and effectiveness.

13 2013/14 Audit Committee Annual Report (Paper 11)

A Walker, Chair of the Audit Committee, reported that, as contained within the above report, the external auditor (KPMG) and the internal auditor (Scott-Moncrieff) had reported their satisfaction with all processes audited. The Audit

Committee had received and considered all of the Audit Reports and was similarly satisfied that the Audit Committee had discharged its responsibilities satisfactorily in line with their terms of reference for 2013/14.

The Board noted and approved the above report.

14 Audit Scotland Visit to Consider the Progress of the Merger Process

The Principal reported that Ayrshire College had been chosen by Audit Scotland who were conducting a desk based review of documents alongside interviews with staff in order to assess the progress of the merger process in Scotland's College Sector. The Audit Scotland Team had discussed challenges, opportunities and governance with staff, including the Principal and the Secretary to the Board. Also included in the meetings was the Chair of the Board. The Chair and the Principal had taken the opportunity to raise with the audit team future challenges which the College would face, including funding. There would be no formal written feedback on this visit, although the informal indications were positive. A general report would be produced on the audit of progress across the sector.

The above verbal report from the Principal was noted.

15 Ayrshire College Corporate Risk Register (V2) at August 2014 (*Paper 12*)

M Breen introduced the most recent iteration of the Corporate Risk Register stating that 24 risks were recorded, two of which had increased and two of which had decreased.

M Breen continued that following discussions that had taken place at meetings of both the Audit and the Finance Committees, a Risk Management Workshop to be facilitated by internal auditors Scott-Moncrieff had been organised to take place on 14 November 2014 as part of a Board of Management Development Day. The aim of the workshop is to ensure that the Board and the EMT have a mutual and shared understanding of the processes of risk management within the College. This was also part of the actions outcome from the internal audit review of Risk Management. Part of the design of the day would also be to ensure the continuance of the excellent progress made in the identification and recording of risks within the Corporate Risk Register made during the previous year of operation.

The Chair added that in his view the development of the Risk Register since the inception of the College a year previously had been dynamic and fast paced. The Chair stated that he looked forward to the Risk Workshop which would add further to the Board and EMT's shared understanding of the ongoing development of strategic risk management processes within the College and the presentation of the Corporate Risk Register.

A number of questions of detail were asked by members and satisfactory responses received.

The Board approved the 2014/15 Ayrshire College Risk Register (V2) as at August 2014.

The Board welcomed the information that Development Day scheduled for 14 November 2014 would include a Risk Management Workshop to be facilitated by Scott-Moncrieff

16 Proposed Ayrshire College/C3 New Campus Risk Register (V1) at August 2014 (Paper 13)

M Breen reported that the above document represented the first Risk Register of the construction phase of the new campus development in Kilmarnock and had been prepared with a view to its interaction with the Corporate Risk Register (CRR). Feedback had been received from both the Finance and the Audit Committees on the presentation of the New Campus Risk Register (NCRR) and its interaction with the CRR. This feedback was being used in the preparation of future iterations of the NCRR.

M Breen added that the matter of the interaction between the two risk registers was one of the issues that would be explored in the forthcoming Risk Workshop, and it was expected that progress would be made as a result.

The Board approved the Ayrshire College/C3 New Campus Risk Register (V1) at August 2014

17 Change to the College Accounting Year to 31 July (Paper 14)

M Breen stated that, as contained in the above letter, notification was recently received from the Scottish Funding Council (SFC) that the accounting year end for the College sector will revert back to 31 July in 2015, subject to Colleges meeting the Treasury budgeting and reporting requirements. This would permit Colleges to realign their budgeting and reporting requirements with the academic year. An immediate impact would be that, whereas the financial reporting period just concluded was limited to eight months, the current financial reporting period will now stretch from 1 April 2014 to 31 July 2015, a period of 16 months.

M Breen continued that this change would not be without challenges as, in his view, some requirements would remain linked to the 31 March reporting deadline. due to Scottish Government reporting requirements. There was a likelihood, therefore, that an annual mini financial statement could be required by SFC for 31 March each year. Included within this may be a requirement to record the completion of all transactions related to donations by the College to the Ayrshire College Foundation by 31 March each year. In general terms, however, this represented good news for the college sector and Ayrshire College would ensure that any accounting challenges associated with this change were properly and professionally managed based on the relevant guidance.

As a result of this news, which had only recently been received, it was proposed that the period of appointment of Scott-Moncrieff as internal auditors be extended to the end of the reporting period of 31 July 2015.

The Board noted the above letter and welcomed reversion of the reporting period end to 31 July each year and the realignment with the academic year. The Board recognised the further challenges this presented and urged ongoing discussion with SFC to ensure that the optimum position in relation to reporting requirements be achieved.

The Board, based on the previous Audit Committee agreement and recommendation, approved the extension of the appointment of Scott-Moncrieff as internal auditors to the end of the reporting period on 31 July 2015.

18 Addendum to SFC Financial Memorandum Letter (*Paper 15*)

M Breen introduced the letter from SFC representing their response to the feedback received from the sector in relation to the draft Addendum to the Financial Memorandum Letter previously circulated for discussion. M Breen reported that the revised delegated limits for incorporated colleges represents a significant improvement on the draft spending limits contained within the consultation exercise, with a number of the concerns raised having been satisfactorily addressed. The sector still awaited a response from SFC to the Business Case prepared by Colleges Scotland for derogation from the self-insurance requirement, previously presented by SFC as a requirement under the terms of the Scottish Public Finance Manual and a consequence of ONS reclassification.

In response to a question from T Wallace, M Breen stated that the practical implications of the new addendum to the Financial Memorandum will be incorporated into revised Financial Regulations which, following Finance Committee discussion and approval, will be brought to the Board for consideration and approval at its next scheduled meeting on December 16, 2014.

The Board noted and welcomed the improved position outlined in the above letter (*Paper 15*) and acknowledged the very helpful support provided by the Chairs Group and Colleges Scotland in reaching this position.

19 Education Scotland Annual Engagement Report: July 2014 (*Paper 16*)

B McGuire introduced and reflected upon the Annual Engagement Report, stating that it was a very positive outcome for the College and that Education Scotland had commended the College on its progress against a backdrop of major organisational change following the merger. The report also highlighted

some areas for attention, which had already been identified by the College, and acknowledged the progress being made by the College in improving those areas.

B McGuire continued that at this time of year the College would normally be embarking upon preparations for the annual engagement. In 2014/15, however, Ayrshire College was one of three Scottish Colleges selected to participate in an action learning pilot to develop an evaluation and performance reporting framework which makes use of the national quality framework and reflects the regional context. That meant that the Education Scotland review, which would have taken place in November 2014, will not proceed. Rather, as part of the pilot process, the College will continue its culture of self-evaluation involving independent external stakeholders, publish a self-evaluation for 2014/15 and create a toolkit for use by other colleges.

B McGuire concluded by saying that this report would normally have been considered by the Learning & Teaching Committee prior to being received by the Board. Due to the timing of meetings, however, the report had come to the Board first. It will now go to the meeting of the Learning & Teaching Committee scheduled for 30 October at which it will be considered in detail.

A number of questions were asked and satisfactory responses received.

The Board of Management noted and welcomed the summary findings of the report contained in the above paper and commended the curriculum team on the recognition they have achieved. The Board further noted that the Learning & Teaching Committee will discuss the report in detail at its next meeting on 30 October 2014.

20 College Operating Plan 2014/15 (Paper 17)

J Galbraith introduced and took the Board through the above plan, stating that the draft plan had been launched at the College Staff Development Day on 20 August, where staff were invited to provide feedback. J Galbraith summarised the feedback received stating that it had been both positive and enthusiastic. The above draft document presented to the Committee for consideration and approval, incorporated that feedback.

The responses did identify some gaps in the knowledge of some staff and these would be addressed by the use of, for example, fact sheets and through the College intranet. Staff induction programmes and staff development events would also be used as means of integrating awareness of all aspects of the College's operation.

Members welcomed the College operating plan which they felt to be an excellent and informative working document. It was considered to be a further major step forward in the establishment of Ayrshire College and to be sector leading in its concept.

The Board welcomed and approved the College Operating Plan.

21 **Irvine Royal Academy Project Update** (*Paper 18*)

M Breen introduced the above paper and E Mackin made a short presentation on the progress of the works currently under way at Irvine Royal Academy in preparation for students and study. A number of photographs were shown of the rooms that would be used by Ayrshire College showing them before, during and after the completion of their refurbishment. E Mackin reported that the project was progressing well and within budget and that it would be delivered on time.

Members were impressed with the progress that had been made and the work which had been undertaken, which was considered to be bright, attractive and transformational. The Board was also pleased to note the very supportive role being played by North Ayrshire Council (NAC) in establishing the Skills Centre of Excellence at Irvine Royal Academy. H Dunk added that Ayrshire College was discussing with NAC how best to ensure that the rest of the School reflects the transformational work undertaken in preparing the Skills Centre and also on how to remove barriers to effective learning and provide a high quality learning environment.

The Board recorded how pleased and impressed it was with the Progress being made in the establishment of the Skills Centre of Excellence at Irvine Royal Academy and noted the contents of the above Paper.

22 **New Campus Development Update Report** (*Paper 19*)

E Mackin reported that at the time of the Board meeting the Project was in week 18 and was running a little ahead of schedule having made excellent initial progress during the fair weather of the summer period. The first physical sign of the building visible to the public would be the stair cores and these would be visible above ground by the end of October 2014. Contractors McLaughlin & Harvey had established excellent site accommodation which would allow easy access and a safe viewing for staff, students and visitors without the need for full Personal Protective Equipment.

C3 had confirmed the appointment of a Community Benefit Manager, whose responsibility it would be to collate statistical data on the contractually agreed KPIs and also work with the College to maximise the learning and teaching opportunities available within the Project. The first workshop had been held with colleagues from STEM and the first group of students had visited the site on 24 September 2014. E Mackin added that McLaughlin & Harvey are committed to offering opportunities to students across the whole curriculum and had agreed to sponsor a number of prizes for students excelling in coursework.

The building design was exceptionally well developed with key areas having been defined, agreed and captured in the visual concepts previously presented to Board Members. However there were some areas throughout the building,

mainly the furniture solutions in curriculum resource areas, which required some further development. It was recognised that in order for this to be successful there was a need for the input of the end user. In order to take this forward a user group would be established with representatives from staff and students. Site visits would be arranged for the user group to visit appropriate Universities, Colleges and the BBC headquarters in Glasgow to look at some spaces where function is defined by furniture, visuals and lighting. It was important that these areas offer different functions i.e. quiet study, social spaces and small meeting areas.

E Mackin continued by reminding the Board that achieving a BREEAM Excellent rating was a condition of funding and was an item discussed monthly at the progress meetings. The Board was encouraged to hear, however, the commitment from C3, across all of the parties, to push the scoring target to BREEAM Outstanding, the highest level within this bracket. There had been some interesting ideas explored in this respect to target additional credits, one being the possibility of the cooking oils generated across the College kitchens being donated to Stagecoach to run the Bio Bus.

E Mackin concluded by reporting that, within the contract, McLaughlin & Harvey had an obligation to liaise formally and informally with the community and it has been agreed that the College would work in partnership with them in creating a monthly newsletter to be issued to local residents. The newsletter would be designed as a communication tool for the project and to raise awareness within the local community. In addition, consultation would continue throughout the project with key external stakeholders such as East Ayrshire Council, SEPA, SPT and Network Rail. The first Network Rail user group meeting had taken place on 24 September to explore upgrades to the underpass and the railway station.

A Number of questions were asked and satisfactory responses received. In relation to the webcam, E Mackin confirmed that the College is still awaiting the completion of its installation by BT.

F Skilling noted that CVO East Ayrshire had been discussion with Network Rail in relation to some developments at Kilmarnock Railway Station and would pass on the contact details to the College.

The Board of Management welcomed and noted the content of the above update report.

23 Health & Safety Policy Statement (*Paper 20*)

H Dunk reminded members that the College's Health & Safety Policy Statement must be reviewed and reapproved at least annually. Paper 20 represented the Policy as approved for 2013/14 which had been reviewed and was now presented unchanged for approval by the Board for 2014/15.

Action: The Health & Safety Policy Statement be approved for 2014/15 and be signed by the Chair and the Principal.

24 Organisational Review (Paper 21)

The Principal, H Dunk, introduced the above paper and stated that members were aware, from the proposals approved at the extraordinary meeting of the Board on 26 August 2014, that there was now the requirement for further organisational change resulting in a recruitment and selection process for two new posts for the structure: these were the Vice Principal College Estates & New Campus Development and the Head of Estates and Facilities. These posts would be advertised in the national press later in the week. Prior to that H Dunk stated that she would update the campus unions the following day and then email all staff immediately afterwards.

The EMT continued to work on complex HR issues resultant on the outcome Organisational Review. As this is related to cultural change it would take time to resolve all of these matters. However, The College would continue to engage actively with all staff and their representatives through both formal and informal channels to ensure a supportive working environment.

H Dunk reminded members that until recently the VS Scheme had been funded wholly through the College Transformation Fund granted by the SFC to support the college merger programme. However, at the Board meeting on 26 August 2014 members approved the proposal for College funding to support the completion of the VS Scheme for 2013-14. A lot of work was now underway in preparation for the curriculum delivery in 2015/16 which may result in further challenging staffing issues. If, as a result, there is a requirement for a revised VS scheme to be opened during the course of 2014-15 to enable the College to respond to organisational development issues which arise, resource implications would be identified accordingly and a further paper brought to the Board for consideration.

H Dunk moved on to state that she had kept members up to date with respect to employee relations issues and, in particular, with regard to the EIS-FELA situation surrounding some of the former James Watt College staff at the Kilwinning Campus. At the date of the meeting the current situation was that 46 individual grievances had been received in relation to the perceived changes to working practices. In line with established practice meetings were arranged with the Principal to discuss the grievances, however, none of the aggrieved staff had attended the meetings arranged. EIS-FELA instead provided them with statements to submit.

H Dunk continued by stating that she had written to the staff concerned expressing disappointment at their failure to attend their grievance meetings arranged in line with agreed procedure and stating that their grievance had not been upheld. That did not affect their right to appeal the outcome of their grievance to the Chair of the Board of Management. The Area Officer for EIS-FELA, subsequent to the submission of the grievances, had arranged for a postal indicative ballot regarding to the possibility of a further ballot for industrial

action to be undertaken. The outcome of the ballot was awaited. In the meantime the College would continue to make every effort to resolve the situation in discussion with the staff concerned and their representatives.

Board Members noted the Principal's report in relation to the situation at the Kilwinning Campus with disappointment and reiterated their support for the implementation of the outcomes of the Organisational Review, the Curriculum Development Plan and the consequent modernisation of staffing and delivery structures that ensued. The Board further noted that the majority of staff across Ayrshire College had embraced the changes and opportunities presented by the merger and the establishment of the new Ayrshire College, and pointed to the many successes achieved by the College and its staff in the short time it had been in existence. The Board expressed its full support for the EMT in its efforts to resolve this dispute.

H Dunk commended the rest of the report as written and stated that she was happy to answer any questions arising. A number of questions were asked and satisfactory answers received.

The Board noted the above report and expressed their gratitude to the HR team which they recognised as having been at full stretch throughout the last year as they undertook and implemented the outcomes of the Organisational Review.

The Board also reiterated its full support to the EMT in their management of ongoing HR and organisational development issues consequent on the outcomes of the Organisational Review and the implementation of the Curriculum Development Plan.

25 Student Association Report

Student Representatives A Alexander and S Graham introduced a verbal Student Association Report and stated that although it was still early in the session, Student Association Activity was now well underway.

At the outset S Graham, based at the Kilwinning Campus, stated in relation to the previous item that students at the Kilwinning Campus had enjoyed and were supportive of the introduction of the flexibility in timetabling. This approach provided students with opportunities to become involved in other student related activities.

The Student Representatives also listed a range of activities that had taken place or were planned, including the following:

- The Fresher's Fair which had taken place during September had been a great success on each on the 3 main campuses.
- Sporting activity across the College was getting going and was already producing success. The Student Association was delighted to announce that J&W Grant was sponsoring the College Netball Team.

- Ayrshire Sportsability has received student volunteers from across the College and has already achieved a big impact, with further activity planned.
- The Student Association was currently making plans in relation to the Ayrshire Hospice Fundraising Day and students will be encouraged to dress in purple on the day to support fundraising for the Hospice.
- Work is ongoing across all campuses to encourage each class to ensure that they have a class representative in place within the next few weeks.
- A lot of effort was being put in to ensure the engagement of students at the Nethermain Campus. In the past, and possibly as a result of isolation, Nethermain students had not availed themselves of the opportunities that the Student Association provides. However, the Student Association is now proactively seeking to involve them and the students had responded accordingly.

H Dunk added that the three student Presidents had actively supported the student enrolment and induction process and had been a great help to the staff involved. Their input had been very much welcomed and appreciated.

The Board noted and welcomed the above report and thanked the Student Presidents for their much appreciated support during the student enrolment and induction process.

26 Principal's Report (*Paper 22*)

H Dunk commended the above report to the Board and added:

- Meetings have been arranged with North Ayrshire and South Ayrshire Councils in relation to investment opportunities, and a similar meeting will be sought with East Ayrshire Council.
- Positive Feedback has recently been received from the Scottish Government in relation to the level of Employer engagement being achieved by Ayrshire College.

The Board noted and welcomed the above report.

27 Distribution of Papers to the Board and Committees

H Dunk introduced this verbal discussion by asking whether, in the light of the large volume of papers being distributed to Board and committee meetings, members would feel more comfortable with a paperless solution in which the papers were located on a secure server and could be accessed and read on a tablet provided. Although some Board members had indicated that they would prefer hard paper copy rather than electronic access to papers, H Dunk stated that she was aware of the opportunity to become much more environmentally friendly in the Board's approach and at the same time make significant savings on the costs of meetings.

Members discussed the above proposal and considered there was merit in further investigation. Security was considered to be a major issue in relation to the proposal and the Board stated that it would require to be fully assured that any solution could ensure that the security of documentation would not be compromised.

The Board agreed that the Board Secretary would further investigate the feasibility of the paperless meeting and report back to a future meeting.

28 Date of Next Meeting: Tuesday 16 December 2014, 5.30 pm, Ayr Campus.