

**Minute of the Board of Management Meeting
Held in the Boardroom, Kilmarnock Campus
On Thursday 25 June 2015 at 5.30 pm**



Present: Willie Mackie (Chair)
Angela Alexander
Heather Dunk
Nicki Beveridge
Julie Bradley
Barbara Graham
Emma Hall
Waiyin Hatton
Alan McGregor
Tom Wallace

In attendance: Brendan Ferguson (Board Secretary)
Alistair Gordon
Jane McKie
Donna Vallance
Liz Walker

1 Welcome and Introductions

The Chair welcomed everyone to the meeting

2 Apologies

Apologies were received from Bill Costley, Jim English, Fiona Fawdry, Stephen Greenwood, Gordon James, Marie Macklin and Alan Walker.

3 Declarations of Interest

The Chair declared that as a Board Member of Colleges Scotland he had an interest in Item 8, National Recognition and Procedures Agreement (NRPA), which Colleges Scotland was recommending Scottish Colleges agree and sign. As such he would not be introducing this Item.

The Board noted the above declaration and agreed that the Chair should stay for this Item and contribute to the discussion as appropriate.

4 Chair's Report

The Chair noted that seven apologies had been received for this meeting and expressed disappointment that seven members had been unable to attend for the consideration and discussion of such an important agenda. The Chair went on to say that whilst the attendance analysis for the Board and committees in 2014/15 was not yet available, it was clear that attendance levels had fallen short of the previous year. The Chair reminded members that accepting the position of being a member of the Ayrshire College Board of Management carried with it a level of responsibility on individuals to attend meetings of the Board and the Committees of which they are a members. If members were finding that other commitments were preventing their regular attendance at meetings, then they were urged to consider whether they were able to provide the level of commitment required to properly discharge their responsibilities to the Board of Management and Ayrshire College.

The Chair reported that much of what had been dealt with over the previous three months was already on the agenda.

The Chair noted that one matter not on the agenda was the appointment of Hugh Hall as Chair of the Colleges Scotland Board, adding that this was a welcome appointment which would be instrumental in moving Colleges Scotland forward as a major lobbying force for the FE sector in Scotland.

The Chair reported that Laurence Howells, Chief Executive of the Scottish Funding Council (SFC), had stated at a recent meeting of the Scottish Parliament's Public Audit Committee that the Irvine Royal Academy Skills Centre of Excellence was an excellent example of the outcome of the Wood Commission in action and example for the FE sector to follow. The Chair added that Skills Development Scotland would hold their next meeting in Irvine at the Skills Centre of Excellence.

5 Minutes of the Ayrshire College Board of Management Meeting held on 26 March 2015 (*Paper 1*)

Subject to some editorial amendments noted by the Secretary, the minutes of the meeting held on 26 March 2015 were approved as a correct record.

Proposed: Alan McGregor
Seconded: Emma Hall

6 Matters Arising

There were no matters arising on the above minutes that were not covered by the agenda for this meeting

7 Minutes of the Meeting of the Chairs Group held on 7 May 2015 (Paper 2)

The minutes were approved as a correct record.

Proposed: Waiyin Hatton

Seconded: Barbara Graham

8 Proposed Budget for the 12 Months to 31 July 2016 (Paper 3)

T Wallace introduced the above paper and reported on the detailed discussions held at the Finance Committee the previous week.

In summary, T Wallace stated that the College was now working on a year to year basis in terms of funding and planning, pending the outcome of the Government Spending Review currently underway. The continuation in 2015/16 of the flat cash funding regime of previous years had resulted in a significant erosion over time of the funds available to meet the requirements of the Outcome Agreement. As a consequence, the proposed 2015/16 budget moved away from the break even strategy of previous years in order to ensure that standard services to learners were maintained and projected an operating deficit of £348k to 31 July 2016.

T Wallace took the Board through the proposed budget, identifying where the deficits lay. T Wallace reported that trading cash would be maintained at c£2 million and the College would remain liquid during the budget period; albeit that the previous expectation of 30 days cash reserve had now been reduced to 17 days. While this was considered regrettable, the funding settlement provided little alternative.

T Wallace asked the Board to note that no provision had been made within the budget for a pay award in 2015/16, pending decisions to be taken on the implementation of national pay bargaining. Colleges Scotland had been informed that Ayrshire College, in line with the national view recorded at a recent meeting of the College Principals Group, could not afford to meet any uplift consequent on a nationally negotiated pay award in 2015/16.

T Wallace added that further consideration would be given over the summer to the current Nursery provision and proposals would be presented, initially to the Learning & Teaching Committee, in September.

In conclusion T Wallace stated that the Finance Committee was firmly of the view that all sources should be employed to bring to the attention of the SFC and the Scottish Government the increasingly challenging position that the current funding regime is placing Ayrshire College in.

The Board noted the above introduction with concern and discussed the budget proposals in detail. A number of questions were asked and responses received. Following discussion, the Board recorded its agreement that no provision for a pay award in 2015/16 should be included in the budget at this time. It was

considered to be very clear that no pay award was affordable within the context of the proposed budget and that this position must be maintained when discussing the proposed National Recognition and Procedures Agreement (NRPA) on the agenda for this meeting.

The Board expressed further concern that the “Resource Return” now being required and used annually by SFC was providing misleading information on the true position of College finances. This in turn was providing misleading data to the Scottish Government when considering future spending plans. The Board considered it to be imperative that every effort be made to ensure that the view of the College on this matter be brought to the attention of Scottish Ministers.

The Student centred approach to the proposed budget was commended by the Board. Members further commended the open and honest approach towards acknowledging the true financial position of the College, resultant on the funding settlements of recent years, and the management of expectations, both externally and internally, incumbent upon this approach. The Board considered it to be important in maintaining good governance that Ayrshire College present an accurate fiscal statement within the budget it sets and agreed that the proposed budget, as presented, was clear in this respect.

Finally the Board acknowledged the work of Michael Breen, the EMT, Alastair Gordon and the Finance Team in producing a budget that the Board could approve in such a challenging environment.

The Board of Management approved the budget for the year ending 31 July 2016 as proposed by the Finance Committee.

9 Proposed Capital Expenditure Programme: April 2015 to March 2016
(Paper 4)

W Hatton, as Chair of the Estates & New Campus Development Committee, reported that the Committee had discussed the above proposals at length and had sought a numbers of reassurances prior to proposing the above programme to the Board. W Hatton added that the Committee had received assurances that all Health and Safety issues would be met and that the roof of the Dam Park Building could be adequately maintained pending future decisions on its permanent repair.

The Board of Management approved the proposed Capital Expenditure Programme to March 2016.

10 National Recognition & Procedure Agreement (NRPA) *(Paper 5)* & Colleges Scotland National Bargaining Update *(Paper 6)*

N Beveridge, Chair of the Human Resources & Organisational Wellbeing Committee, introduced the NRPA. N Beveridge stated that the Scottish

Government had strongly encouraged the establishment of National Bargaining for the college sector. As a result discussions involving Colleges Scotland and the Trade (EIS-FELA, UNISON, Unite, GMB) Unions have been ongoing and the NRPA produced. Colleges Scotland had approved the document and had recommended that all Colleges should now sign the agreement and permit national bargaining to commence. The decision on whether to sign the agreement was a matter for each individual College Board of Management to decide.

In noting the above, the Board expressed serious concern, not at the concept of national bargaining, but at the indications received from the Scottish Government that while it wished to see the immediate implementation of the national bargaining process, no further funding would be available to support any salary uplift resultant on the process. Given the already serious financial constraints being faced, as expressed in the budget discussion above, the Board was firmly of the view that, in 2015/16, no pay award was affordable within the parameters of the currently available funding envelope.

In addition, the Board wished it to be recorded that any agreement by Ayrshire College to sign the NRPA would be predicated by the position that national pay bargaining and conditions of service **must** be linked. This, in the Board's view, was a red line position (*as set out in section 20, page 14 of Paper 6*) and must be adhered to.

The Board of Management approved the NRPA (Paper 5) for sign off by Ayrshire College.

The Board agreed that a covering letter be sent with the above approval stating its position that Ayrshire College cannot afford any salary uplift in 2015/16.

In addition, the covering letter clearly state the position of Ayrshire College that pay and conditions must be linked in any national bargaining negotiations and that Ayrshire College's approval of the NRPA is conditional on this red line position being maintained, as set out in section 20, page 14 of paper 6 above.

11 Ayrshire College Risk Register (V5) at May 2015 (Paper7)

W Mackie introduced the Ayrshire College Risk Register in the absence of the Chair of the Audit Committee and stated that, following the Risk Workshop held in April and work being undertaken over the summer, the format for assessing and reporting Risk would be revised and updated for 2015/16. V5 of the Risk Register (Paper 7) was presented as approved at the recent meeting of the Audit Committee.

The Board welcomed the information concerning the revision of the Risk Register based on the outcomes of the Risk Workshop. In addition the Board agreed that "Likelihood" within Risk BoM4, "*Failure to manage and deliver*

changes based on Scottish Government Policies” be raised to 5 and the overall risk raised to 20.

The Board welcomed the news concerning the changes to the College Risk Register intended for 2015/16.

The Board agreed that the “Likelihood” aspect of Risk BoM4 be raised to 5 and the overall risk score raised to 20.

The Board approved the 2014/15 Ayrshire College New Campus Risk Register (V5) as amended above.

12 2014/15 New Campus Risk Register (V6) at May 2015 (Paper 8)

The Board noted that Risks associated with the New Campus Construction would lie predominantly with the contractor pending migration planning and implementation in 2015/16.

The Board approved the 2014/15 New Campus Risk Register (V6).

13 Proposed 2015/16 Board & Committee Schedule Incorporating Day Time Meetings (Paper 9)

B Ferguson introduced the 2015/16 Board & Committee schedule and explained that, following consultation with members, the proposal was that meetings would revert from evenings to afternoons with effect from August 2015.

The Board noted and approved the 2015/16 Board and Committee schedule and the move to afternoon meetings.

14 Proposed Move to Paperless Meetings in 2015/16 (Paper 10)

B Ferguson introduced the above paper explaining that, in response to a discussion held at an earlier meeting of the Committee, he had investigated the feasibility of the introduction of paperless meetings. B Ferguson took members through the above paper which explained the advantages and disadvantages along with costs, savings, and the environmental impact of such a move. Members noted the proposals and agreed to proceed with the introduction of paperless meetings with effect from August 2015.

The Board agreed to commence a subscription agreement with Admincontrole for the provision of a portal to facilitate paperless meetings with effect from August 2015. In addition the Board approved the purchase of tablets on which the paperless documents would be stored and displayed,

15 Committee Chairs Reports

The Committee Chairs provided brief verbal reports on the matters considered by the Committees since the last meeting of the Board and not already dealt with under the agenda for this meeting. The confirmed minutes of these meetings would be received by the Board at its next meeting.

The Chairs reports were noted by the Board

16 Standing Committee Minutes

The following Standing Committee Minutes were received by the Board:

- **Audit Committee 3 March 2015** (*Papers 11*)
- **Estates and New Campus Development Committee 26 February 2015** (*Paper 12*)
- **Finance Committee 19 February 2015** (*Paper 13*)
- **HR & Organisational Wellbeing Committee 12 March 2015** (*Paper 14*)
- **Learning and Teaching Committee 19 March** (*Paper 15*)

17 The Following Were Received For Information

- Organisational Review 2015
- Student Association Report
- Draft Student Association Constitution
- By web link: Framework for the Development of Strong and Effective College Students' Associations in Scotland.
<http://www.saframework.co.uk/>

The Board agreed that proposed changes to the Students Association Constitution should be presented for consideration at the September 2015 meeting of the Board.

18 AOB

The Board noted that this was the last meeting which Emma Hall and Stephen Greenwood would attend as elected members. The Board thanked Emma and Stephen for all the work they had undertaken and the commitment they had shown during their time as Board Members of Ayrshire College and wished them both good fortune in their future undertakings.

19 Date of Next Meeting: Wednesday 30 September 2015 at 4.00 pm, Kilwinning Campus