

**Minute of the Board of Management Meeting
Held in the Ayr Campus
On Thursday 17 December 2015 at 4.00 pm**



Present: Willie Mackie (Chair)
Angela Alexander
Holly Bates
Nicki Beveridge
Julie Bradley
Heather Dunk
Fiona Fawdry
Barbara Graham
Gordon James
Alan McGregor (*up to item 12*)
Juliana Pyper-McFarland
Alan Walker

In attendance: Brendan Ferguson (Board Secretary)
Michael Breen
Jackie Galbraith
Alastair Gordon
Jane McKie
Donna Vallance

For Item 4 Fiona Lees (East Ayrshire Council)
Alex McPhee (East Ayrshire Council)

1 Welcome and Introductions

The Chair welcomed everyone to the meeting and in particular Fiona Lees (Chief Executive East Ayrshire Council) and Alex McPhee (Deputy Chief Executive East Ayrshire Council).

2 Apologies

Apologies were received from Board members Bill Costley, Jim English and Tom Wallace and from EMT member Bernadette McGuire,

3 Declarations of Interest

The Chair, W Mackie, declared that as a member of Colleges Scotland Board he had an interest in the National Bargaining Update which would be considered under Item 5 of the agenda. As such the Chair would be handed to A Walker, Vice Chair, as W Mackie introduced this item. J Bradley and J Pyper-McFarland declared that, as elected members of College staff, they also held an interest in Item 5 on the agenda.

The Board noted the above declarations and agreed that no person was required to leave the meeting for this item.

4 Presentation – Learning and Enterprise Campus: Cumnock (A copy of the presentation is maintained in the Board of Management Office).

F Lees made a presentation to the Board on the proposed new Learning and Enterprise Campus at Knockroon, Cumnock. During the presentation it was explained that the Project represented a £63.5 million development within Cumnock to build a new campus which would encompass all educational development from pre-school to post-16 in Cumnock and the surrounding area. In the process it would replace the existing facilities of Cumnock Academy, Auchinleck Academy, Greenmill Primary School & Early Childhood Centre, Hillside ASN School and Barshare Primary School, Supported Learning Centre & Early Childhood Centre. F Lees explained that the new campus was expected to provide accommodation for over 2000 pupils. Key milestones included a projected start date of July 2017 and projected construction finish date of July 2019.

Board members asked a number of questions and welcomed the presentation, its content and the ambition being shown in the establishment of this project. Members considered the proposed new campus to be a multifaceted vision which would provide a tremendous facility for Cumnock and the surrounding area. The Board noted that if the new campus proceeded as proposed then further possibilities would present themselves in the future for joint initiatives between the new campus and Ayrshire College in the senior phase and post-16 interface.

The Board noted and welcomed the above presentation and thanked Fiona Lees and Alex McPhee for taking the time to come to Ayrshire College and present this exciting new development. The Board commended the vision being shown, particularly in the encouragement being given to innovation and enterprise. The Chair added that Ayrshire College looks forward to working in partnership to support the delivery of an innovative curriculum for the communities served.

5 Chair's Report

The Chair reported on matters pertinent to the Board since its previous meeting including:

- The Board Secretary had received the resignations of two Board Members since the previous meeting: Dr. Waiyin Hatton and Ms Marie Macklin. Dr Hatton was leaving to take on the role of Chair of the University of West of Scotland Court and Ms Macklin as a result of business commitments. The Chair thanked both members for their contributions to the work of the Board and wished them well in their future endeavours.
- Since the previous meeting the Chair had attended 3 Graduation Ceremonies; 2 Campus Site Meetings with the Principal; 2 Colleges Scotland Board Meetings; the SQA Awards Ceremony; together with the

Principal had held individual meetings with local elected members of the Scottish and Westminster Parliaments. The Chair highlighted, in particular, the success of the graduation ceremonies held in Kilmarnock, Kilwinning and Ayr and the clearly expressed joy and pride in achievement of the graduates, their family and friends.

- The Scottish Government had established a Governance Task Force following recent issues arising in relation to the former Coatbridge and North Glasgow Colleges. The Task Force was currently gathering evidence and would produce a report with recommendations for consideration by the Cabinet Secretary for Education and Lifelong Learning. In due course that would undoubtedly have implications for the conduct of governance within the FE Sector.
- At the invitation of the Chair the Secretary took members through developments currently underway in relation to a number of aspects of Board membership. Discussion took place around the recently produced *Development Framework for Boards in the College Sector* and, in particular, the new requirements in relation to Board Member induction and training. A number of members expressed a concern that what was being indicated within the Development Framework was rather onerous in terms of time commitment, particularly if it involved travel, and could have the unwanted and unintended effect of discouraging otherwise committed individuals from undertaking board membership. Further developments discussed included *National Terms and Conditions of Appointment* for board members and the preparation of a *National Template for Standing Orders* which, it was intended, would replace college constitutions across the sector. In addition it was noted that training for board members in relation to the following responsibilities placed on the Board was being rolled out:

Prevent Duty, in response to the Board's responsibilities resultant on the provisions of the *Counter Terrorism and Security Act 2015*;

Corporate Parenting, in response to the Board's responsibilities resultant on the provisions of the *Children and Young People (Scotland) Act 2014*.

- The Chair thanked N Beveridge for representing him at the recent Excellence Awards.

The Board recorded their thanks to Waiyin Hatton and Marie Macklin for the work they had undertaken on behalf of the Board and wished them every success in their future endeavours.

The Board wished to record their view that if additional national induction and training were to be required of Board Members, then it should be offered locally and members should not be required to travel to a national centre.

5 National Bargaining 2015/16 (*Paper 1*)

The Chair for this item was handed A Walker (Vice Chair).

W Mackie introduced Paper 1 and stated that, although he was a member of the Colleges Scotland Board, as Chair of the Ayrshire College Board of Management he had been bound by the mandate given to him by this Board and had, therefore, been unable to support the position as outlined in the above Paper. This situation of Chairs being bound by the positions adopted by college boards, often weeks or months previously, has not been helpful in terms of being able to respond as negotiations on pay bargaining unfolded. This was a situation that would require to be addressed for the future.

W Mackie noted that negotiated agreement, as outlined in the above paper, was being recommended by the support staff Unions for acceptance by their members. When the outcome of that recommendation is made known a recommendation will be made by Colleges Scotland to the Boards of Management of Scotland's Colleges. Currently no agreement had been reached with the EIS in relation to curriculum staff.

Members noted the following points as part of their discussion of the above paper:

- Paper 1 represented the offer made by the National Joint Negotiating Committee – Management Side to the Support Staff Trade Unions and that the unions concerned had agreed to recommend acceptance to their members.
- The recommended agreement states that any improvement on these terms subsequently reached in the curriculum staff negotiations would be matched in terms of the award made to support staff.
- To date, agreement had not been reached with EIS in negotiations relating to curriculum staff.
- Ayrshire College had received a further flat cash funding settlement from SFC for 2015/16 and, as such, had not budgeted for a staffing pay uplift in 2015/16.
- If the content of Paper 1 were to be accepted by the relevant trade unions' membership, Ayrshire College, as signatories to the RPA, would require to find the resources to fund the settlement.
- Board Members are responsible to OSCR as trustees of a registered charity.

The Board noted the comments made by W Mackie and the above points raised during discussion. It was agreed that any subsequent recommendation received from Colleges Scotland regarding the implementation of this offer and also the ongoing negotiations in relation to curriculum staff would be circulated to members for consideration and decision.

6 Minutes of the Ayrshire College Board of Management Meeting held on 30 September 2015 (Paper 2)

W Mackie resumed the Chair.

The minutes of the meeting held on 30 September were approved as a correct record.

Proposed: A Walker
Seconded: N Beveridge

7 Matters Arising

Page 2, Item 4: Chairs Report, Action. A draft letter had been prepared for signature by A Walker as Chair of the Audit Committee. The letter would be signed and sent to the Chief Executive of SFC, copied to the Chair of SFC, following approval of the Annual Accounts and subsequently circulated to members.

8 Statutory Financial Statements and Reports for the 16 Month Period Ending 31 July 2016

- **Board of Management Report and Financial Statements 2014/15 (Paper 3)**

A Walker, Chair of Audit Committee, introduced the 2014/15 draft Board of Management Report and Financial Statements to the Board for consideration and approval. A Walker stated that external auditors, KPMG, had complimented the College Finance Team on their preparations for the external financial audit and had confirmed their view that Ayrshire College would remain a going concern financially in 2015/16. No assessment could be made beyond that period because of uncertainties relating to future funding provision and the directions on the use net depreciation to be provided by SFC.

A Walker then took the Board through the discussions which had taken place at the Audit Committee and which are contained in the Audit Committee minutes of 10 December 2015. In particular A Walker highlighted that the Government Financial Reporting Manual requirement for the disclosure of the total accrued pensions for senior members of staff had not been included in the statements. This was because much of these accrued amounts did not relate to employment by Ayrshire College, but came from previous employers of the staff concerned, some of whom were private sector employers. Unless an acceptable rationale was received for the full disclosure of this information, this would continue to be regarded by the College as irrelevant and potentially misleading information and an invasion of

privacy. The Finance Committee and Audit Committee had both indicated their support for this position. As a result, KPMG was required by SFC and Audit Scotland to record a qualified opinion on the remuneration report. This was explained on page 24 of Appendix 2. KPMG had confirmed that, except for this matter, in their opinion the remuneration report had been properly prepared.

A Walker added that an Audit Committee recommendation in relation to the Board taking a view on the use of net depreciation within the accounting process, and that view being communicated to SFC, had been dealt with under Matters Arising above.

On behalf of the Audit Committee A Walker concluded by commending Paper 3 to the Board for approval and signature.

The Board approved the 2014/15 Board of Management Report and Financial Statements for signature.

The Board noted KPMG's qualified opinion in relation to the Remuneration Report and recorded its support for the College's position on this matter.

- **KPMG Annual Report to the Board of Management and Auditor General for the 16 Month Period Ended 31 July 2015 (Paper 4)**

A Walker introduced Paper 4, which had been considered and approved by the Audit Committee, noting that it would become publicly available on the Audit Scotland Website following its approval by the Board.

W Mackie, as Board Chair, described the Report as excellent and commended the work of the Finance Team and their achievements.

The Board approved the above Annual Report for the 16 month period to July 31 2015.

- **Letter of Representation to External Auditors (Paper 5)**

A Walker reminded the Board that Paper 5 represented the standard letter for provision to KPMG as External Auditors and had been approved by the Audit Committee.

The Board approved the Letter of Representation to the External Auditors.

- **Scott Moncrieff Internal Audit Report for the 16 Month Period to 31 July 2015 (Paper 6)**

A Walker introduced the Annual Internal Audit Report prepared by Scott Moncrieff and considered by the Audit Committee. The Audit Committee had noted that it represented a good report which provided assurances for the College in the areas audited that good practice was being applied.

The Board noted, welcomed and approved the above Report.

9 Ayrshire College Audit Committee 2014/15 Annual Report for the 16 Month Period to 31 July 2015 (Paper 7)

A Walker introduced the above report and took the Board through it, highlighting individual passages as appropriate. A number of questions were asked and satisfactory responses received. A Walker ended by stating that the Audit Committee commended it to the Board for consideration and approval.

The Board welcome and approved the above report, which was considered to provide an excellent summary of the work of the Audit Committee to July 2015.

10 2015/16 Budget Pressures: Scenario Planning (Paper 8)

The Chair stated that as notification had now been received of a further flat cash budget settlement for 2016/17, it was no longer necessary to consider the above paper at this time. Papers in relation to budget setting for 2016/17 would be considered at the March meeting of the Board.

The Board noted the above position.

11 Risk Registers

- **Revised Corporate Risk Register (V1) at November 2015 (Paper 9)**

A Walker introduced V1 of the Revised Corporate Risk Register and reminded members that it had been produced as an outcome of the Risk Workshops held in association with Scott Moncrieff (as internal auditors) during 2015. The revised Risk Register was now being rolled out to the Board committees who would comment accordingly and provide feedback for further consideration by EMT and the Audit Committee. In particular the Risk Appetites had been provisionally set by EMT to provide a basis for consideration at each committee and the Board. The Risk Appetites would be revisited after all of the committees had discussed and commented. A Walker concluded with the view that it would take several iterations of the revised Risk Register to ensure that the Board and committees are fully comfortable with the new format.

The Board noted and approved Paper 9 the Revised Corporate Risk Register (V1)

- **New Campus Risk Register (V10) at November 2015** (*Paper 10*)

The Board noted that the New Campus Risk Register was now being prepared on a monthly basis as the construction phase of the Project moved closer to conclusion. (V10) of the Register had been considered and approved by the New Campus Project Board (NCPB) and had then been received by the Audit Committee on 10 December 2015. (V9) of the Register, as approved by the NCPB, had been considered and approved by the Estates and New Campus Development Committee in November 2015.

The Board noted and approved the New Campus Risk Register (V10)

- **Risk Management Policy** (*Paper 11*)

A Walker introduced Paper 11 and stated that it represented the Policy as updated to reflect the outcomes of the Risk Workshops held in 2015 and the amended structure of the Revised Corporate Risk Register. A Walker added that the Policy had been considered by the Audit Committee which had recommended approval to the Board.

The Board approved the Risk Management Policy (Issue 2) as contained in Paper 11 above.

12 Quality Report 2014/15 (*Paper 12*)

B Graham, as Chair of the Learning and Teaching Committee, reported that the Committee had considered the above Report in some depth. B Graham conveyed the view that Paper 12 represented a first class piece of work that was both informative and evidence based and of which the College could be justifiably proud. As a result of information contained within the Report, the Learning and Teaching Committee had set up a short life working group to consider the ways in which leavers and first destination statistics were collected and reported.

The Chair agreed with B Graham's summation, describing the report as "sector leading". The Report would now go to the SFC Project Board and, following that and with the permission of SFC, may be shared with the sector.

The Board welcomed and approved 2014/15 Quality Report and thanked Jackie Galbraith and her team for the preparation and production of such an illuminating document.

A McGregor left the meeting

13 Health, Safety and Wellbeing

- **2014/15 Annual Health, Safety and Wellbeing Report** (*Paper 13*)

N Beveridge, Chair, Human Resources and Organisational Wellbeing Committee (HROW) introduced the above report as considered by the Committee. N Beveridge stated that HROW considered the report to be an excellent piece of work and recommended its approval by the Board.

The Board welcomed and approved the 2014/5 Annual Health, Safety and Wellbeing Report.

- **Health, Safety and Wellbeing Policy** (*Paper 14*)

N Beveridge introduced the Health, Safety and Wellbeing Policy as considered and approved by HROW and recommended to the Board for approval.

The Board approved the Health, Safety and Wellbeing Policy.

14 Proposed Revisions the Constitution & Governance Arrangements (*Paper 15*)

B Ferguson, as Secretary to the Board, introduced the above paper and proposed revisions. B Ferguson explained that most of the proposed revisions were required to bring the above document into line with the requirements of *Code of Good Governance for Scotland's Colleges*, in addition to routine updates. A further category of amendments were designed to clarify which parts of the document related to specific governing acts, not within the gift of the Board to amend, but which must be updated in line with any Parliamentary amendments to the acts concerned.

The Board noted and approved the proposed revisions to the Constitution and Governance Arrangements.

15 Board Self-Assessment: Analysis of Board & Committees Self Evaluation Pro-forma Returns

The Chair reported that unfortunately the analysis could not yet be undertaken as a number of completed proformas remained outstanding. Members who had not yet completed the self-evaluation proforma were asked to do so and return it to the Board Secretary at an early opportunity.

The Board noted the above comments from the Chair and suggested that the analysis be brought to the Board Development Day scheduled for 21 January 2016.

16 New Campus Development General Project Update Report (Paper 16)

D Vallance introduced the above report and took the Board through it as written. D Vallance added that the building is now virtually wind and watertight, permitting interior fit out to begin shortly, and concluded by stating that although the contractors currently report that construction is 4.5 days behind schedule, they do not feel this to be any cause for concern at this time.

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

The Board noted and welcomed the above report.

17 Student Association Report (Paper 17) and Revised Ayrshire College Student Association Constitution

A Alexander, Student Association President, took the Board through Paper 17 and updated members on activities that had taken place since the report had been written. In particular A Alexander informed members that in March Ayrshire College Student Association (ACSA) would celebrate International Woman's Day with the first anniversary celebration of #ThisAyrshireGirlCan. This ACSA event would also be attended by the First Minister, Nicola Sturgeon.

Several Questions were asked of the report and satisfactory answers received.

The Board also noted that the recently circulated revisions to the ACSA Constitution, which reflected the new Student Officer arrangements, had received the approval of members and the revised constitution, as circulated, was now in operation.

The Board commended the excellent work being undertaken by ACSA and the energy and commitment that was so evident in the above Report.

The Board also formally noted the approval, by circulation, of the revisions made to the ACSA Constitution

18 Committee Chairs Reports

The Committee Chairs provided 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.

19 Standing Committee Minutes

The following confirmed Standing Committee Minutes were received by the Board:

- **Audit Committee:**
 - 9 June 2015 (*Paper 18*),
 - 29 September 2015 (*Paper 19*)
- **Estates and New Campus Development Committee:**
 - 18 August 2015 (*Paper 20*)
- **Finance Committee:**
 - 17 September 2015 (*Paper 23*)
- **Human Resources and Organisational Wellbeing Committee**
 - 18 June 2015 (*Paper 21*)
 - 6 October 2015 (*Paper 22*)

20 AOB

H Dunk thanked M Breen and A Gordon for the temporary responsibilities that they had assumed in recent months. H Dunk informed the Board that B McGuire would be returning to duty in the New Year and EMT members would return to their normal duties. The Chair added his thanks on behalf of the Board to M Breen and A Gordon.

The Chair wished all present the compliments of the season and closed the meeting.

21 Date of Next Meeting: Thursday 31 March 2016 at 4.00pm, Kilwinning Campus