

Present: Willie Mackie (Chair)
Nicki Beveridge
Margarette Bryan
Bill Costley
Heather Dunk
Fiona Fawdry
Barbara Graham
Gordon James
Alan McGregor
Lainey McKinlay
Douglas Mclvor
Lora Miller
Alan Walker

In attendance: Brendan Ferguson (Board Secretary)
Michael Breen
Jackie Galbraith

Tour of New Hospitality Teaching Facilities

The meeting was held in the teaching space which formed part of the newly completed Hospitality facilities on the second floor of the Dam Park Building. Prior to the start of the meeting, members undertook a tour of the new facilities. During and following the tour, Board Members expressed their appreciation of what was considered to be state of the art new facilities for educating learners and congratulated the College and the Ayrshire College Foundation (who had funded the Project) on their achievement.

1 Welcome

The Chair welcomed everyone to the meeting and, in particular, warmly welcomed Lora Miller, who was attending her first meeting as an elected student member.

2 Apologies

Apologies were received from board members: Julie Bradley, Juliana Pyper-McFarlane Tom Wallace and Marri Welsh; and from EMT members Jane McKie and Donna Vallance.

3 Declarations of Interest

There were no declarations of interest.

4 Student Association Report (*Paper 2*)

L McKinlay took the Board through the ACSA Report, in particular noting the draft Student Partnership agreement for which approval was sought. L McKinlay also noted the elections for Student Executive Officers, which were underway, and warmly welcomed the new ACSA office premises at the Kilwinning Campus which had made the Student Association much more accessible to students.

In addition, ACSA were proposing a number of amendments to their Constitution in the light of student feedback, some editorial and some substantive. Several of the proposed amendments were highlighted by L McKinlay as follows:

- Voting Process –The proposed amendment would allow both Sabbatical Officer positions to be elected in a single ballot. Students would therefore nominate themselves for a sabbatical officer position. The candidate who secured the most votes would be elected as the Student President and the candidate securing second place would be elected as Student Vice President. The Single Transferable Vote System would remain.
- The proposal to change the Black Students' Officer title to Black and Minority Ethnic Students' Officer (BME). This was designed to make the position more relevant to the Ayrshire College student population and encourage more candidates to come forward.
- The proposed inclusion of a reference to the Student Partnership Agreement was designed to demonstrate the Student Association's ongoing commitment to the agreement.

H Dunk asked the Board to note the work undertaken by L McKinlay in Uganda over the summer, during which she had spent her time supporting young people from that country

The Board noted and welcomed the first ACSA Report of 2017/18 and remained impressed by the quality of work being undertaken by ACSA and the progress being made.

The Board also noted the work undertaken by L McKinlay in Uganda and commended her initiative, industry, goodwill and achievement.

The Board approved the Student Partnership Agreement.

The Board noted and approved all the proposed changes to the ACSA Constitution.

5 Chair's Report

The Chair reported on matters which had taken place since the previous meeting of the Board including the following:

- The Chair had attended a Colleges Scotland (CS) Workshop intended to consider changes in how to identify and address priorities. As a result, CS were currently undertaking a restructuring programme designed to deliver a number of positive changes.
- W Mackie and H Dunk had recently met with Deputy First Minister John Swinney MSP at the Scottish Parliament to discuss the annual PFI payments in respect of the Kilwinning Campus and their impact on the financial position of Ayrshire College. Also present was Kenny Gibson MSP (Cunningham North). The meeting was constructive and positive and the College now awaited the outcome and decisions of the current Scottish Government Spending Review.
- Colleges Scotland had been encouraging Boards of Management to sign the Scottish Government supported Partnership for Change pledge to achieve 50% of all Board memberships being female by 2020. Ayrshire College had been awaiting clarification on a number of issues prior to signing. The Chair reminded the Board that since incorporation the Board had been committed to maintaining gender balance within the Board's membership in the areas of appointment over which it had control, and had been a leader and role model in this respect. Recently the Scottish Government had introduced the Gender Representation on Public Boards (Scotland) Bill, which was currently under scrutiny within the Scottish Parliament. This Bill, combined with its scrutiny, had answered the outstanding questions held by Ayrshire College. As such the Chair recommended that it would now be appropriate for the Ayrshire College Board of Management to sign the Partnership for Change pledge.

The Board noted the above Chair's Report.

The Board awaited a decision on new funding support being provided by the Scottish Funding Council (SFC)/Scottish Government to ensure that in 2018/19, the College could meet the contractual PFI payments for interest and principal repayment.

The Board approved the Chairs recommendation that the Ayrshire College Board of Management should sign the Scottish Government supported Partnership for Change initiative to commit to working towards the 50/50 gender balance in board membership by 2020.

6 Minutes of the Ayrshire College Board Meeting held on 22 June 2017
(Paper 1)

The minutes of the meeting held on 22 June 2017 were approved as a correct record.

Proposed: **A Walker**

Seconded: **A McGregor**

7 Matters Arising

There were no matters arising not otherwise included on the agenda from the disclosable part of the Minute.

8 National Bargaining Update *(Verbal)*

H Dunk reported on the current progress of the national joint negotiating process, noting that the sector wide implementations cost had increased to circa £115 million since the report made at the previous meeting of the Board. H Dunk also reported on the progress being made in the planning for and the local implementation of the National Bargaining outcomes

The Board noted the update provided by the Principal and the progress being made by the College in implementing the National Bargaining outcomes.

9 Budget for Academic Year 2017-18 - Update *(Paper 3, reserved)*

M Breen took the Board Members through the paper, noting that the Business, Resources and Infrastructure Committee had discussed the budget update at length and had recommended its approval by the Board. In so doing the Committee had recorded its concern at the position facing the College going forward, particularly if no agreement is reached with the Scottish Government and SFC in supporting the annual PFI payments for interest and principal repayments.

A number of questions were asked and responses provided.

The Board noted and approved the updated AY 2017-18 budget and echoed the concerns expressed at the Business, Resources and Infrastructure Committee

10 SFC Five Year Financial Forecast Return (FFR) *(Paper 4, reserved)*

The Chair introduced this item and explained that the FFR is now a requirement being placed on all Colleges within the Sector by SFC, in response to the recommendation from Audit Scotland that Colleges provide longer range financial forecasts. The Chair continued that a health warning associated with the preparation off FFRs during this period of ongoing financial constraint and

uncertainty was that a significant number of financial variables, and therefore unknowns, are included within the template for completion provided by SFC. Ayrshire College had done its very best to provide projections on the basis of its current knowledge, but this could only provide a benchmark financial plan against which future FFR submissions could be compared. The Chair highlighted a number of these financial variables, the future outcome of which were currently unknown to the College. They included:

- the nature and amount of future Grant in Aid funding settlements;
- the future outcomes of the National Bargaining process;
- the decision of the Scottish Government in relation to support being provided to Ayrshire College in meeting annual Pfl payments for interest and principal:

all of which would profoundly influence College finances and financial outturns over the forthcoming five years.

M Breen then took the Board Members through the paper, noting that the Business Resources and Infrastructure Committee (BRIC) had discussed the Paper at length and had recommended its approval, subject to caveats surrounding the FFR "*Declaration*" proposed by SFC.

M Breen circulated a paper contrasting the SFC drafted FFR Declaration with the amended wording being proposed following the BRIC discussion, and intended by BRIC to set the return clearly within its local context. The Board agreed that submission of the amended version would provide a more accurate and relevant Declaration.

The Arms-Length Foundation (ALF) information requirements within the FFR, as set out by SFC, were discussed by the Board. The Board noted that the Ayrshire College Foundation (ACF) was a legally separate organisation constituted under the Charities Act, with a separate decision making and governance structure, based on the challenges of future financial forecasting in a time of great uncertainty.

As such, the College had no authority to provide information on an independent organisation or to compel it to provide the information being requested by SFC. The Board recalled previous advice provided by SFC to the College in relation to the ACF which, had the College sought to apply it, would have been ultra vires. To this extent, the Board was concerned that SFC did not appear to fully appreciate the legal distinction between a college and an ALF. It was noted that the audited accounts of the ACF were published as standard, and SFC would be advised accordingly. In addition, the College would discuss with the Chair of ACF the request made by SFC.

The Board approved the FFR for submission to SFC.

The Board approved the Business, Resources and Infrastructure Committee's proposal that an amended declaration be submitted with the FFR, which provided a more accurate and relevant declaration.

The Board endorsed the position that no submission of ACF information be made with the FFR. That was considered to be incompatible with the fact that the two organisations were separate and distinct legal entities with separate governance structures. As such, Ayrshire College had no authority to submit ACF information for scrutiny and no authority to require that such be provided by ACF to the College for submission to SFC. SFC would be advised, however, that the ACF audited accounts were published in the standard manner.

The Board agreed that the FFR, its content and Declaration be reflected in the Ayrshire College Corporate Risk Register and the Risk Register be submitted to SFC as an attachment to the FFR.

11 2017-18 Ayrshire College Risk Register (V1) at September 2017 (Paper 5)

A Walker, as Chair of the Audit Committee, confirmed that V1 of the Risk Register had been considered and approved by the Audit Committee at its meeting on 19 September 2017. The Committee had asked, however, that Risk BRIC3,

“External funding pressures adversely impact on future College financial sustainability and/or the delivery of the curriculum”

be brought to the Board’s attention to review whether, in view of the current position in relation to the lack of support for annual PFI payments and the serious impact this would continue to have on College finances, as reflected in the FFR Declaration, this risk should be raised to its highest level (25).

Following consideration, and in light of the current ongoing discussions between the College and the Scottish Government, the Board agreed that it would be appropriate to maintain BRIC3 at its current level until the outcome of those discussions is known.

The Board noted the 2017-18 Ayrshire College Risk Register (V1) which, as agreed above, would reflect the concerns contained within the FFR and its Declaration and be included with the FFR return to SFC.

The Board agreed, at this time, that it would be appropriate to maintain Risk BRIC3 at its current assessed level.

The Board agreed that when the outcome of the above mitigation process is known, Risk BRIC3 be further reviewed.

12 Confirmation of Current Members’ Extension of Appointment (Document circulated at the Board Meeting)

The Chair reported that Scottish Ministers had approved the re-appointment of the four Board Members listed in the minutes of the previous meeting (Paper

8b). The letter received from the Scottish Government formally setting out the re-appointments for a four-year period (to 31 July 2021) had been circulated to members at this meeting and would be posted on the Board portal under this meeting.

The Board noted and welcomed the formal notification from Scottish Ministers of the re-appointments.

13 Key Performance Indicators

J Galbraith took the Board through the performance of the College in 2016/17 in terms of the KPIs and explained that a detailed discussion had been taken place at the meeting of the Learning and Teaching Committee on 7 September 2017. The presentation setting out the KPIs had been posted on the Board Portal and would be circulated to each member.

H Dunk added confirmation that the College had met its 2016-17 Credit target. The Further Education Statistics (FES) audit was complete and the annual certificate had been signed and forwarded to SFC that day.

The Board noted and welcomed the information and commended the significant improvements being achieved annually.

14 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 Chair of the Learning and Teaching Committee provided a written report as noted below. The confirmed minutes of these meetings would be received by the Board at its next meeting.

The Chair of the Audit Committee reported that discussion had taken place at the meeting on 19 September around the fact that there was no cross representation between the Audit Committee and the new Business, Resources and Infrastructure Committee (BRIC). While the Audit Committee understood the need for it to maintain independence and understood the need to maintain a separation between the audit and the financial considerations held at Board standing committees, it was felt that BRIC now covered a broad spectrum of activity, not purely finance, and the Audit Committee would benefit from cross representation.

All of the Chairs reports were noted by the Board.

It was agreed that the Board Chair, the Chair of Audit Committee and the Board Secretary would further consider the matter of the Audit Committee membership and report to the next meeting of the Board

15 Standing Committee Minutes

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

- **Audit Committee:**
 - **20 March 2017** – these minutes had been approved by circulation, had been posted on the Board Portal under this meeting and published on the College Website.
 - **15 June 2017** (*Paper 7*) – these minutes had been approved by circulation
- **Estates and New Campus Development Committee:**
 - **18 May 2017** (*Paper 8*)
- **Finance Committee:**
 - **7 June 2017** (*Paper 9*)
- **Learning and Teaching Committee**
 - **1 June 2017** (*Paper 10*)

16 AOB

Several Matters were raised under AOB

- **Proposed Memorandum of Understanding with HALO:** H Dunk reported that a Memorandum of Understanding had been drawn up between the College and the HALO Development located immediately adjacent to the Kilmarnock Campus. The purpose of the Memorandum of Understanding was to record the intention of the College and HALO to establish a co-operative relationship to the mutual benefit of both parties and, in particular, the Ayrshire College learners. No financial commitment was involved.

The Board agreed that the Memorandum of Understanding be circulated to members for comment prior to signature.

- **Request to Provide Data for Use in A Research Project:** H Dunk reported that the College had been invited to take part in an exploratory research project being undertaken jointly by Queen Margaret University and the University of Glasgow, investigating the effects that complaints had on public sector employees who have been the subject of a complaint. The College if it took part would be asked to invite employees to take part in the provision of empirical data for research purposes.

Following discussion, the Board agreed that the beginning of the first term was not an appropriate time to ask staff to take part and give time to a research programme of this nature and the invitation should regretfully be declined.

- **Attracting Sufficient Numbers of Students into the Hospitality Industry:** Board Member B Costley stated that the Hospitality Industry was becoming increasingly concerned that insufficient numbers of young people were being attracted to learn and train for a future in the industry. Mr Costley noted that Hospitality was a critical industry in the development of the Ayrshire economy, a major employer and one that offered a broad range of excellent career opportunities. The industry would be pleased to assist in any way in attracting and supporting students in their education and training.

17 Date of Next meeting: Thursday 14 December 2017, Ayr Campus.

Received for Information

Board and Committee Schedule 2017/18
Student Satisfaction Survey
Learning and Teaching Committee Report 07/09/17
Key Facts 2016
Strategic Plan 2017-20
Outcome Agreement 2017-20