

Minutes of Previous Meeting and Matters Arising

Paper 3

Summary:

Draft minutes/notes from the previous board meetings and action monitoring logs:

- Minute of the meeting held on Thursday 28 January 2021– DRAFT
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Recommendation:

The board is asked to agree the following:

- the minutes of the previous board meetings as a true and accurate record and note the status of the action monitoring log.
- the board is asked to approve the agreed minute is uploaded to the Colleges Scotland website.

Colleges Scotland

March 2021

**DRAFT Minute of Colleges Scotland Board of Directors Meeting
Thursday 28 January 2021, Zoom.**

Present	
Ken Milroy (KM) (<i>Chair</i>)	Angela McCusker (AMcC)
Elaine Acaster (EC)	Janie McCusker (JMcC)
Liz Connolly (LC)	Ross Martin (RM)
Margaret Cook (MC)	Lydia Rohmer (LR)
Michael Foxley (MF)	Ronnie Smith (RS)
Waiyin Hatton (WH)	Shona Struthers (SS)
Ann Landels (ALd)	David Watt (DW)
Alex Linkston (AL)	
In Attendance	
Michelle Brand (MB)	Jim Metcalfe (JM) (CDN) (item 10)
Delia Holland (DH)	Heather Stevenson (HS)
Jen Johnston (JJ)	Andy Witty (AWTY)
Keith MacPherson (KMacP) (JCCA) (Item 4)	
Apologies	
Carol Turnbull (CT) (<i>Vice Chair</i>)	Willie Mackie (WM)
Hugh Carr (HC)	

1. Declaration of Interest Register – Sign Off

Agenda Item: 1 | Paper No: 1 | Lead: KM

Paper 1 was noted.

The current Declaration of Interest was approved. KM requested members provide all updates in a timeously manner directly to MB.

2. Welcome and Apologies

Agenda Item: 2 | Paper No: Verbal | Lead: KM

KM welcomed members and advised of the following:

Welcome

We welcome Jen Johnston (JJ), new Head of Communications & Public Affairs who will join us today for her first Colleges Scotland board meeting.

Apologies

Apologies had been received from HC, WM and CT.

Invited Input

Item 4 Keith MacPherson (KMacP) will join to answer any questions on the recent audit and Colleges Scotland Financial Statements.

Item 10 Jim Metcalf (JM), CEO of CDN will join for item 10 to provide an update to the board on the CDN commissioned report [International Ambitions](#).

3. Minutes of the Previous Meeting and Matters Arising

Agenda Item: 3 | Paper No: 3 | Lead: KM

3.1 Discussion

Paper 3 was noted.

KM invited the board to consider and agree the minutes from the previous meeting. SS provided commentary on the progress of the Action log.

3.2 Decision

The board agreed the minutes from the meeting on 13 November 2020 as an accurate record of the meeting and approved the minutes to be uploaded to the Colleges Scotland website in their unredacted form.

It was agreed that JJ would take forward the stakeholder engagement plan and items 7.2 from 15 October 2020 meeting are now superseded.

4. Audit & Risk Assurance

Agenda Item: 4 | Papers 4.1 – Paper 4.5 | Lead: AMcC

4.1 Discussion

Paper 4.1 Corporate Reporting Year Ended 31 July 2020

AMcC updated the board to provide confidence and advised there were no serious concerns raised during the audit process. AMcC continued and explained that the members of the Audit & Risk Committee discussed at length 'Going Concern' and the pension liability. Because the pension liability does not fall due during any specific accounting period and provided Colleges Scotland remains solvent the auditors and committee are content to recommend the Financial Accounts for approval and sign-off.

KMcC joined the meeting and confirmed they were able to receive all information required to undertake their external audit commitments. KMcC confirmed that there were no major adjustments made to the accounts and this reflects well on the financial processing during the year.

Discussions have taken place with the Executive and the Audit & Risk Committee about the pension liability and wider financial sustainability particularly in relation to 'Going Concern'.

KMcC reported to the board that they are comfortable with the pension liability as this remains a long-term liability. KMcC reminded the board that the pension liability does not fall liable so long as Colleges Scotland remains. KMcC that he is comfortable the accounts provide a true and fair view of the financial position of Colleges Scotland.

For the record it was noted that Johnston Carmichael have policies and procedures in place and it was recorded that they do not provide any other audit services to the Colleges Scotland.

It was noted for the record that within the Directors Report the following board members were added to the list of Directors: Waiyin Hatton, Elaine Acaster, Hugh Carr, Ann Landels and are all now registered on Companies House.

- **The board approved the Financial Statements Year Ended 31 July 2020.**
- **The board approved the reconciliation from management accounts to statutory accounts for year ended 31 July 2020.**
- **The board approved the Audit Clearance Report.**
- **The board approved the Letter of Representation.**

WH recorded appreciation and thanks to the team at Colleges Scotland on their work to deliver a clean audit and sign-off of the financial statements.

Paper 4.2 Annual Governance Statement

The paper was presented, and the board approved the Annual Governance Statement and requested it be available on the website.

The board approved the Annual Governance Statement 2019-20.

Paper 4.3 Risk Register

SS highlighted the Job Evaluation risk 17 'Failure to properly manage and implement the Job Evaluation Project Plan in accordance with the agreed budget and timeframe'. SS updated the board on the vast amount of work that has been undertaken since the summer to bring this project back on track. Colleges Scotland's Frances Harrower is now in post as the Project Manager and a Project Coordinator is also in post to support her, and the project. For these reasons' SS proposes the board reduce risk 17 from red to amber on the Colleges Scotland risk register.

It was noted that the project has a separate Job Evaluation Project risk register which is presented later in the papers. MC agreed with SS that the project appears to be moving at pace, however, did suggest that individual colleges may wish to have a risk on their own registers in relation to the outcomes of job evaluation.

JMcC raised concern around members ability to make subscription payments going forward and identified this as a significant risk to Colleges Scotland. GCRB board has agreed to pay the additional amount due this year and will discuss future payments as a board. JMcC expects that this will be picked up and fed into discussions during the Colleges Scotland Review.

The board agreed to amend Risk 17, 'Failure to properly manage and implement the Job Evaluation Project Plan in accordance with the agreed budget and timeframe' from red to amber.

The board agreed financial sustainability is a key issue and will be fed into the wider discussions during the Colleges Scotland Review.

The board approved the risk register with the amendment to Risk 17 from red to amber.

Paper 4.4 Anti-Fraud Policy

AMcC presented the Anti-Fraud Policy for approval and updated the board on discussions which took place at the Audit and Risk Committee.

The board approved the Anti-Fraud Policy.

Paper 4.5 Whistleblowing Policy

AMcC presented the Whistleblowing Policy for approval and updated the board on discussions which took place at the Audit and Risk Committee. The committee agreed this policy once approved should be circulated to staff on an annual basis.

The question was raised about segregating the key contacts. It was identified currently the Company Secretary is recognised as the Designated Whistleblowing Officer (DWO) but should the DWO be implicated matters would be referred to the Chief Executive Officer (CEO). At the present time SS is both the CEO and Company Secretary and by default the DWO. SS advised the board that arrangements were being considered internally as they recognise this as a potential conflict. It is expected this situation will be resolved by end of February 2021.

The board approved the policy subject to the segregation of the above roles.

5. Good Governance

Agenda Item: 5 | Paper No 5.1 and Paper 5.2 | Lead: SS

5.1 Discussion

Governance Update

SS introduced the paper presented today and already approved by the Chairs' Committee. SS brought to the boards attention that CT is looking to step down as the chair of the CPG and she is an ex-officio role on the board.

During discussions it was raised of the requirement to clarify that the Chair and Vice-Chair of CPG should not come from the same college.

KM's first 4-year tenure as Chair of Colleges Scotland expired on 27 January 2021, KM is willing to stay in post and step down at an appropriate juncture before his public appointment ends 2 Mar 2022.

The board agreed to KM remaining as Chair, this was proposed by MF seconded by AMcC.

The board agreed to the ratification of the members as per the paper.

Chairs' Committee Terms of Reference

The terms of reference of the Chairs' Committee has been presented to the board several times now and following amendment it is now presented again for final approval. The board asked for some clarity around what may be deemed as in 10.1 'urgent decisions'. KM reminded the board that the Chairs' Committee was made up of the Chairs from the College Principals' Group, Employers' Association, Funding and Finance Committee and overall Chair of Colleges Scotland Board as well as the Chief Executive Officer. It was agreed that any decision taken would be formally ratified at the next available board.

Following discussion, it was agreed to update 10.1 and recirculate to the board electronically for approval.

5.2 Decision

It was agreed that KM should extend his term as Chair of Colleges Scotland board by 1-year to January 2022 which would allow an appropriate time to handover to the new chair and oversee the review of Colleges Scotland. This was proposed by MF seconded by AMcC.

It was agreed to ratify the following:

- Funding and Finance Committee: David Patterson, Principal Moray College, UHI
- Audit & Risk Committee: Hugh Carr, Chair Dumfries and Galloway College; Sue Cook, Board Member West Lothian College.

It was agreed to ensure that the board is not operating ultra vires, to ratify MC and LR by amending the article 49.4 as proposed. A further amendment will be sent electronically to ensure the inclusion of the senior executive member from a regional strategic body alongside the position of Principal for selection to the board by the CPG.

It was further agreed to extend CT Colleges Scotland Board tenure through to a second 4-year term.

It was agreed to update 10.1 within the Chairs' Committee Terms of Reference and recirculate electronically to the board for approval.

6. Colleges Scotland Triennial Pension Fund Valuation

Agenda Item: 6 | Papers: 6 | Lead: AWTY

6.1 Discussion

The board noted the paper and appendix.

The Falkirk Council Pension Fund (FCPF) has been working with Hymans Robertson actuaries to carrying out the triennial valuation (as at 31 March 2020) for the purposes of calculating employer contribution rates for Colleges Scotland from April 2021 onwards, and in January 2021 FCPF shared the draft results.

There have been changes to primary / secondary rates and these issues will likely trail through to individual colleges too. Primary rates are increasing from 28.5-30.3% and secondary rates from £50,000 pa increasing over the three-year period. It was noted that there are currently six active employees within the pension scheme as well as 21 people deferred in the scheme.

During discussions, the horizon period has been extended from 10-years to 11-years. To extend further this would require a guarantor. Suitable guarantors would be considered as either the colleges as members or the SFC, which would require ministerial approval.

There was discussion about the Articles and clarification to be sought about the liability on Directors with regards to the pension deficit should Colleges Scotland cease.

6.2 Decision

The board noted the new pension rates effective from April 2021 and agreed not to progress the guarantor situation at this time.

It was agreed to seek clarification about the Articles in relation to any liability on Directors with regards to the pension deficit should Colleges Scotland cease.

7. Activity Update

Agenda Item: 7 | Verbal | Lead: AWTY | CT | MF | SS | JJ

7.1 Discussion

College Principals' Group

The sheer number of meetings were highlighted and the Principal's noted and welcomed the regular contribution from Linda Pooley and the college policy team at Scottish Government over the recent weeks and months. The Principals are all invested in huge amount of workstreams to mitigate and scenario plan around the key areas of concern. The overriding concern currently is around the deferment of our students. There is real concern about getting our 2020-21 cohort of students completed at the same time there are still deferred students from 2019-20.

DW asked for the minutes of the CPG to be circulated timelier, rather than waiting for the next board meeting.

JMcC reminded the board that the CPG is an advisory group and not a committee of the Colleges Scotland board as the articles currently stand.

Funding & Finance Committee

There has been a huge amount of work by everyone to input into the pre-budget discussions with many meetings e.g. the Finance Secretary, Richard Lochhead, DFM, and we have done all we could to explain the sector situation.

The message has been clear for the need for clarity in line with what funding the schools and universities have received. It was noted that HE has much more flexibility to reshape and plan courses to ensure students complete due to the longer timeframe of studies. Typically, FE students have 1-year.

One of the asks was the formation of a ministerial led taskforce and that appears to have been supported. The civil servants have launched this today and have worked hard to get this up and running. Colleges Scotland have worked with government to edit and shape the remit and requested that CT join SS on the taskforce to ensure the direct link back into the CPG. Colleges Scotland continues to work with the Scottish Government on the remit to ensure the taskforce is as impactful as it can be.

Communications & Public Affairs

This is only JJ's third week in the role and things have moved at pace since joining. JJ updated the board that we have had a good operational strategy session last week with a further session this week.

DW reminded JJ to work closely with the communications staff in the sector as there is a lot of great work being undertaken. JJ acknowledged that and updated the board that she has already attended a Communications Network meeting to introduce herself to colleagues across the sector.

8. SFC Review of Coherent Provision and Sustainability

Agenda Item: 8 | Paper 8 | Lead: KM

Paper 8 was received by the board.

8.1 Discussion

KM reminded the board to share the individual college and regional strategic body responses with Colleges Scotland to help them better prepare a national sector position. The board discussed at length the local and regional diversity of the college sector and emphasised again the importance of colleges at driving forward the economic recovery.

Phase 1 of the SFC report was viewed as largely favourable to colleges and the board wished to capitalise on this and continue that into Phase 2.

The board discussed funding at a tertiary level and the need for a sensible approach to articulation, different views were expressed. It was noted that colleges are agile and can make a difference right now if the funding is in the right places. Universities are much slower to make an impact.

The board agreed the needs of the economy were immediacy, agility and flexibility which would help restart the economy.

There was discussion around helping the SFC and Scottish Government (SG) by being very clear about how the college sector can solve some of their problems and evidence the value and return on investment should SG continue to invest in the sector. The results and solutions need to be tangible.

Collaboration among colleges and industry and key stakeholders will be critical, DW explained that the East of Scotland College Group secured funding to support working with local authorities and SMEs. DH mentioned the collaborative approach that is being taken in the South and echoed the importance of these relationships going forward.

AWTY reminded the board that the deadline for Phase 2 submissions is the end of February. The board were asked to send good examples and further information to be included within the submission. The CPG, Finance Network and Business Development Network would have an opportunity to feed in before the submission would be circulated to the board for electronic sign-off.

8.2 Decision

The board agreed to share individual college and regional body submissions, evidencing local examples of added value impact to be included within the national submission.

9. Colleges Scotland Review

Agenda Item: 9 | Paper 9 | Lead: KM

Paper 9 was received by the board.

9.1 Discussion

KM confirmed that we have 22 February confirmed for the board discussion which will be facilitated by Uzma Khan (UK). KM alerted the board to the fact that UK may wish to ask the board to undertake some preparatory work in advance of the facilitated session. UK has extensive experience working at a strategic level and KM welcomes the discussion and hopes it will be useful in helping steer the priorities. DW expressed his disappointment having raised the need for this discussion again back on 14 December it has taken until 22 February to enable it.

KM explained that he had taken the decision, on when to have this discussion and how best to take this forward, seriously, and it has been set up as best we can. KM encouraged the board to engage positively in discussions on 22 February and look at how we want to take it forward.

10. International Presentation

Agenda Item: 10 | Verbal Presentation | Lead: JM

Item brought forward in the agenda.

KM welcome JM and invited him to address the board.

10.1 Discussion

JM provide an update to the board on the CDN commissioned report [International Ambitions](#).

JM reminded the board of the 5 key recommendations as an output from the report:

1. The establishment of a strategic level group to represent internationalisation in colleges.
2. The inclusion of Scotland's colleges in the internationalisation agenda and ongoing system reforms.
3. The development of sector-wide data sharing, marketing and communications.
4. The exploration of a collective approach to college commercial international opportunities.
5. The engagement of colleges within Scotland's International Alumni Plan.

Recommendations 1 and 2 are high level strategic recommendations and as such it would be for the board of Colleges Scotland, as the national sector policy agency to drive this forward.

The report poses some practical challenges and there is a lot of work to be done. Currently there is a CDN network which includes staff from the policy team at Colleges Scotland who are working collaboratively together on recommendations 3-5.

There was a lengthy discussion around the alumni work currently being undertaken and how the sector can better tap into this resource and network. CDN set up a Hall of Fame as a way to share sector success stories of staff and student champions.

The board agreed that a collaborative and strategic approach was the best way forward, however, whether this was to be named as a key priority would need to be considered in more detail.

The board also recognised the benefits of being able to provide our learners with a more global network and agreed 'International' was not solely about doing business abroad.

The report was well received by government. SS reminded the board that we previously had a national strategy, a framework and dedicated resource with associated budget but this is no longer the case. To take this forward at a strategic national level would require a change in Colleges Scotland's strategic priorities to be decided by the board.

JM reminded the board that CDN are currently supporting and will continue to support the operational managers, however, it would be for Colleges Scotland and the board to drive this forward via any policy direction.

10.2 Decision

The board agreed that a collaborative strategic approach was the best way forward. However, the board decided to not progress this any further at this time but consider it within a wider review of Colleges Scotland's strategic priorities.

11. Employment Services Team

Agenda Item: 11 | Papers 11.1 – 11.3 | Lead: AL/HS

11.1 Discussion

National Bargaining Update (Non-Disclosable)

EIS have issued a 'Notice of Statutory Ballot for Industrial Action'; however, following legal advice Colleges Scotland has raised concerns that the voting paper does not comply with the requirement to summarise the dispute in terms of The Trade Union Act 2016 to enable the union members to understand what issues remain unresolved.

A letter will be issued to Principals later today setting out the current position.

Job Evaluation Update (Non-Disclosable)

The Paper was noted by the board.

General Teaching Council for Scotland (GTCS) Update

The paper was noted by the board.

12. Colleges Scotland Finance & HR Update (Non-Disclosable)

Agenda Item: 12 | Papers 12.1 and Paper 12.2 | Lead: SS

12.1 Discussion

Finance Update

The Chairs' Committee has done the scrutiny on this and SS drew the boards attention to the year-end forecast which is forecasting a £48k saving at this time. It was noted this relates to a staff member within Policy who is working on a SFC funded project. The new costs received for pensions will subsume most of this saving.

HR & H&S Update

SS drew attention to high turnover of staff and explained this is primarily down to fixed term contracts within the Employment Services team which is predominately project focused. Staff then leave to take up permanent posts. All vacancies have been filled and staff will be in post by February 2021. It was noted that with each staff member that leaves this creates a knowledge gap and the incoming staff member requires a significant time and resource to come up to speed.

13. Key Performance Indicator Report Against Colleges Scotland Operational Plan

Agenda Item: 13 | Papers 13 | Lead: SS

Paper 13 was noted by the board for information.

13.1 Discussion

The paper sets out the current Key Performance Indicator Report as a RAG status against Colleges Scotland Operational Plan.

It was identified that the very small team at Colleges Scotland undertakes a vast number of tasks and spans across a wide reach and impact. More strategic direction and clear priorities would be welcomed.

AWTY updated the board on the red rags within the Policy workplan.

MC and RS left the meeting.

14. Committee Minutes

Agenda Item: 14 | Papers 14 | Lead: SS

Paper 14 was noted by the board.

15. AOCB

Agenda Item: 15 | Verbal | Lead: KM

DW raised the need for the board to meet more frequently and expressed a review of the quantity and format of board papers to ensure an efficient and effective use of staff and board members' time.

16. Date of Next Meeting

Agenda Item: 16 | Verbal | Lead: KM

The date of the next meeting is 24 June 2021.

Signed _____

Date _____

Colleges Scotland Board Action Monitoring Log

Meeting of Friday 13 November 2020				
Agenda Item	Action	Date	Owner	Status
4.2	<p><u>SFC Review of Coherent Provision & Sustainability</u></p> <p>It was agreed that members would feed their thoughts directly to Colleges Scotland, including any regional thoughts, and this would allow a national sectoral response to be prepared before the end of the year.</p>	18.12.20	ALL	Superseded by Item 8 28.01.21
Meeting of Thursday 28 January 2021				
Agenda Item	Action	Date	Owner	Status
3	<p><u>Stakeholder Engagement</u></p> <p>It was agreed that JJ would take forward the stakeholder engagement plan and items 7.2 from 15 October 2020 meeting are now superseded.</p>	March 2021	JJ	Underway
4	<p><u>Risk Register</u></p> <p>The board agreed to amend Risk 17, 'Failure to properly manage and implement the Job Evaluation Project Plan in accordance with the agreed budget and timeframe' from red to amber.</p>	28.01.21	SS	Complete
5	<p><u>Governance Update</u></p> <p>A further amendment to the Articles to be sent electronically to ensure the inclusion of the senior executive member from a regional strategic body alongside the position of Principal for selection to the board by the CPG.</p>	19.02.21	SS	Underway
5	<p><u>Chairs' Committee Terms of Reference</u></p> <p>It was agreed to update 10.1 within the Chairs' Committee Terms of Reference and recirculate electronically to the board for approval.</p>	19.02.21	SS	Underway
6	<p><u>Triennial Pension Fund Valuation</u></p> <p>It was agreed to seek clarification about the Articles in relation to any liability on Directors with regards to the pension deficit should Colleges Scotland cease.</p>	March 2021	SS	Complete
8	<p><u>SFC Review of Coherent Provision & Sustainability</u></p> <p>The board agreed to share individual college and regional body submissions, evidencing local examples of added value impact to be included within the national submission.</p>	12.02.21	ALL	Underway

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