

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 24 June 2021
-

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

June 2021

Minute of Colleges Scotland Board of Directors Meeting
Thursday 24 June 2021, 1000-1300, via Zoom Video Conferencing.

Present	
Elaine Acaster (EA)	Liz Connelly (LC)
Margaret Cook (MC)	Audrey Cumberford (AC)
Michael Foxley (MF)	Waiyin Hatton (WH)
Ann Landels (ALd)	Alex Linkston (AL)
Willie Mackie (WM)	<i>Ross Martin (RM)</i>
Janie McCusker (JMcC)	Angela McCusker (AMcC)
Ken Milroy (KM) (<i>Chair</i>)	Lydia Rohmer (LR)
Shona Struthers (SS)	David Watt (DW)
In Attendance	
Jen Johnston (JJ)	Laura Mitchell (LM) (<i>minute-taker</i>)
Heather Stevenson (HS)	Andy Witty (AW)
Apologies	
Hugh Carr (HC)	Ronnie Smith (RS)

1. Declaration of Interest Register – Sign Off

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

Paper 1 was noted.

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

KM noted updates had already been received from EA, RS and WH and these had been actioned.

2. Welcome and Apologies

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

2.1 Discussion

KM welcomed members to the meeting and noted apologies from HC and RS. It was noted that at the start of the meeting RM and JMcC were yet to join.

Ratifications

KM welcomed AC to her first meeting as a member of the Colleges Scotland Board, by virtue of her appointment as the interim chair of the College Principals' Group (CPG), as of Tuesday 4 May 2021. KM noted that it has been custom and practice for the chair of the CPG to automatically become the vice-chair of the board.

KM invited members to note AC appointment as interim chair of the CPG and asked the board to ratify AC's appointment as a member and vice-chair of the Colleges Scotland board.

Members ratified AC's appointment and welcomed her to the board.

KM also requested members note Paul Little, Principal and Chief Executive, City of Glasgow College,

as the newly appointed vice-chair of the CPG as of Tuesday 25 May 2021.

Members noted Paul Little's appointment.

KM invited members to ratify LR reappointment as a board member for a second term retrospectively, that would see LR remain a member of the Colleges Scotland board until September 2023.

Members ratified LR's reappointment.

Last Board Meeting

KM advised members that this was the last board meeting for MF, who will be stepping down from his position as Regional Chair for Highlands and Islands on 31 July 2021. KM thanked MF on behalf of the board for his hard work as an advocate for the sector and his valuable contributions as a member of the board over the past eight years.

KM also informed members that LM will be leaving Colleges Scotland, and this was also her last meeting. KM thanked LM on behalf of the board.

Bank of Scotland Compliance Review

KM informed the board that further to confirmation from all board members in post during March 2021, all information has been passed across to Colleges Scotland's banking provider to allow them to conclude the Compliance Review.

Amendment to Articles of Association

KM advised members that a new set of the amended Articles of Association were filed with Companies House on Monday 26 April 2021, and they were formally accepted.

KM advised that the process to notify OSCR of the amendment to the Articles of Association is also underway.

2.2 Decision

Members noted the following appointments:

- AC as interim chair of CPG
- Paul Little as the newly appointed vice-chair of the CPG as of Tuesday 25 May 2021.

Members ratified the following appointments:

- AC as a member and vice-chair of Colleges Scotland Board as of Tuesday 4 May 2021
- LR's reappointment for a second term as a member of the Colleges Scotland board, due to terminate in September 2023.

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 and invited SS to provide an overview of the action log. SS noted that the only item that remained outstanding was stakeholder engagement and that she continued to work with JJ to progress this piece of work.

Matters Arising

There were no matters arising.

3.2 Decision

The board agreed the minutes from the meeting on Thursday 25 March 2021 as an accurate record of the meeting and approved the minutes to be uploaded to the Colleges Scotland website in their unredacted form.

4. Audit and Risk Assurance Committee Report

Agenda Item: 4 | Paper: Paper 4.1 – 4.6 | Lead: WM

4.1 Discussion

Papers 4.1 – 4.6 were noted.

Ken invited WM to address this agenda item and invited comments and questions from members at the end of WM's update.

Corporate Governance Code – Paper 4.1

WM advised members that the Audit and Risk Assurance Committee reviewed the current Corporate Governance Code at its last meeting on Monday 14 June 2021 and recommended the board endorse the code subject to the following change in line with the amendment to the Articles of Association (49.4) made in April 2021 that would allow for assigned college principals to be appointed to the board:

Special Provision

2.1.6 up to three persons who have been nominated for office by the Principals' Group, each of whom shall be:

2.1.6.1 a Principal of a Company Member; or

2.1.6.2 a Principal of an Associate Member; or

2.1.6.3 a Principal of any college assigned to a Company Member, where that Company Member is a body specified as a regional strategic body or regional board in Schedule 2A to the 2005 Act; or

2.1.6.4 the senior executive member from a body specified as a regional strategic body in Schedule 2A to the 2005 Act;

shall be Board Members.

WM invited comments from members and asked the board to endorse the proposed update to the current Corporate Governance Code.

Members had no additional questions or comments.

Workplan 2021/22 – Paper 4.2

WM advised that the Audit and Risk Assurance Committee considered the work plan for 2021/22 at its last meeting on Monday 14 June 2021 and are content that no material changes are required and that it is a comprehensive document that ensures the committee is covering all its duties and responsibilities and provides flexibility where required.

WM invited comments from members and asked the board to endorse the Audit and Risk Assurance Committee work plan for 2021/22.

Members had no additional questions or comments.

Risk and Regulatory Update – Paper 4.3

WM informed members that the Audit and Risk Assurance Committee considered the risk register at its last meeting on Monday 14 June 2021 and agreed that all risks categorised as ‘High Risk’ should remain ‘High Risk’.

WM highlighted Risk 017 in relation to the Job Evaluation project for the board’s attention as outlined in update Paper 6.3.

WM asked the board to consider the completeness and appropriateness of the Risk Register and that it accurately reflects the risk appetite of the organisation.

AMcC requested an update on the two new risks (Risk 018 and Risk 019). SS provided a detail account of both risks and preventative action taken to date.

Business Continuity Plan – Paper 4.4

WM informed members that the Audit and Risk Assurance Committee considered the completeness and appropriateness of the Business Continuity Plan and ICT Disaster Recovery Plan at its last meeting on Monday 14 June 2021 and requested that the only addition to the current plan is a reference to when the board would be informed of a major disaster.

WM invited comments and asked the board to endorse the Business Continuity Plan and ICT Disaster Recovery Plan.

Members had no additional questions or comments.

Draft External Auditor Plan – Paper 4.5

WM advised that the Audit and Risk Assurance Committee considered the plan presented to them by Keith Macpherson at its last meeting on Monday 14 June 2021 and were content that the scope and remit of the audit plan was comprehensive.

WM invited comments from members and asked the board to endorse the External Audit Plan Overview report for the year ending 31st July 2021.

Members had no additional questions or comments.

Independence and Objectivity Review of Auditors – Paper 4.6

WM informed members that the Audit and Risk Assurance Committee has responsibility for managing the relationship with the external auditor and ensuring that the auditor is directly accountable to the Audit and Risk Assurance Committee.

WM advised members that this paper includes his evaluation as the committee Chair, of the external auditors for Year End 31st July 2020 and is supported by the rest of the Audit and Risk Assurance Committee and the Chief Executive.

WM invited comments and asked the board to note this paper for information.

Members had no additional questions or comments.

4.2 Decision

Corporate Governance Code – Paper 4.1

Members endorsed the proposed update to the current Corporate Governance Code.

Workplan 2021/22 – Paper 4.2

Members endorsed the Audit and Risk Assurance Committee work plan for 2021/22.

Risk and Regulatory Update – Paper 4.3

Members endorsed the Risk Register.

Business Continuity Plan – Paper 4.4

Members endorsed the updated Business Continuity Plan and ICT Disaster Recovery Plan.

Draft External Auditor Plan – Paper 4.5

Members endorsed the External Audit Plan Overview report for the year ending 31st July 2021.

Independence and Objectivity Review of Auditors – Paper 4.6

Members noted the paper for information.

5. Chairs' Committee Report (Non-Disclosure)

Agenda Item: 5 | Paper 5 | Lead: KM

5.1 Discussion

Paper 5 was noted.

KM commented that the purpose of this paper is to report to the board considerations by the Chairs' Committee relating to longer term financial sustainability of Colleges Scotland and liabilities of Company Members. In particular the paper notes the legal advice in relation to the following points:

- the ability of a Company Member to withhold subscription payment
- the legal implications for Colleges Scotland, should one or more Company Members wish to leave, in relation to the liabilities that are currently shared among the collective membership (e.g. predominantly the lease and pension liabilities).

KM invited members to consider the information provided regarding the pension deficit and note the extract from the COSLA constitution in Appendix 1 and discuss the pros and cons of this arrangement in respect of Colleges Scotland and its Company Members.

Members commented as follows:

- the driving causes of dissent should be given more consideration
- the benefits of membership need to be made more explicit and should a Company Member choose not to pay then they should not continue to gain the benefits of membership of Colleges Scotland
- that attempts should be made to resolve issues in the first instance, but that a formal process was required to escalate matters that cannot be resolved
- other models in addition to COSLA should be considered (e.g. College Development Network)

- that publicly appointed regional chairs are responsible for ensuring that the services procured by their colleges are value for money and therefore the outcome of the Colleges Scotland was crucial to demonstrating this.

5.2 Decision

Members agreed that the Chairs' Committee should continue to progress further options surrounding this piece of work, in parallel with the College Scotland Board Governance Working Group, and with input from JMcC and WH.

6. Employment Services Team Report

Agenda Item: 6 | Paper 6.1-6.2 | Lead: AL/HS

6.1 Discussion

Papers 6.1 – 6.2 were noted.

Job Evaluation – Paper 6.1

AL advised that the following paper provides a progress update on the Job Evaluation project since the previous board meeting in January 2021.

AL provided a verbal update from the Extraordinary Employers' Association Executive meeting that took place on Wednesday 23 June 2021 regarding the progress and funding to date of the Job Evaluation project.

AL invited comments from members and asked members to note the progress to date and updated Risk Register of the Job Evaluation project.

Members questioned if any financial analysis had been undertaken in relation to the back dated financial impact, given that the project was now three years down the line. HS advised that approximately £12m per annum is being accumulated towards anticipated costs and was being closely monitored.

HS reported that dialogue was continuing with trade unions in relation to the next stages in the project.

General Teaching Council for Scotland Lecturer Registration Project – Paper 6.2

HS provided a verbal update on the progress of the project to date and that funding was being released in line with the proposed payment schedule and that the project was on track to commence roll out of registration from August 2021.

SS commented that the subgroup governance model has proven very successful and in hindsight would have been a good model to adopt for the Job Evaluation project.

6.1 Decision

Job Evaluation – Paper 6.1

Members noted the update paper and the progress and funding position of the project to date.

General Teaching Council for Scotland Lecturer Registration Project – Paper 6.2

Members noted the update paper and the progress and funding position of the project to date.

7. Committee Activity

Agenda Item: 7 | Paper 7.1 | Lead: MF/AW/AC

7.1 Discussion

Paper 7.1 was noted.

KM invited MF to address this agenda item and invited comments and questions from members at the end of MF's update.

Funding and Finance Committee

MF provided members with a brief overview of the recent College Funding Group Meeting that took place on Friday 20 May 2021. MF advised that AW has circulated a note of the meeting and high level items of discussion included:

- agreement to keep discussions at a strategic level
- Scottish Funding Council (SFC) Review is due to be published end June
- with regards infrastructure SFC recognise the strategic finance issues and are expecting collaboration, both within the sector and with others in order to access funding. SFC want to see recognition given to post-Covid changes and the inclusion of both digital and climate into the approach
- financial sustainability was flagged up at the meeting and will be picked up in the next few weeks.

MF invited questions and comments from members.

There were no comments or questions.

Spending Review 2022/23 – Paper 7.1

KM invited AW to address this paper.

AW reported to members that the following paper seeks views from the Colleges Scotland Board on the outline of the College Sector Spending Review submission for 2022/23. AW advised that a discussion was held at the Funding and Finance Committee on Thursday 17 June 2021, following circulation of background information to all Chairs, Principals and Finance Directors.

AW asked the Colleges Scotland Board to note the content in this paper and discuss any additional areas of funding for inclusion in the Spending Review Submission and agree the outline and approach of the final draft submission.

Members debated the matter at length but concluded that the areas that are already identified were the most important for inclusion in the final draft.

Infrastructure Investment

MF provided members with a high level overview of the discussions and outputs from the College Sector Infrastructure (ICT and Estates) workshop that took place on Wednesday 23 June 2021.

MF advised that the outputs of this workshop and the Digital Service Design Academy Session, scheduled to take place on Thursday 24 June 2021, would be taken to the next meetings of the College Principals' Group and Funding and Finance Committee, before then being taken to SFC in late autumn.

College Principals' Group

KM invited AC to speak this this agenda item and invite comments and questions from members at the end of AC's update.

AC advised that there was nothing further to update on that hadn't already previously been addressed and reported that principals are continuing to operate the 'Lead Principal' model and it has proved very successful to date.

Policy Update

KM invited AW to speak to this agenda item and invite comments and questions from members at the end of AW's update.

AW spoke to the following areas:

- Strategic Dialogue – tripartite meetings involving Colleges Scotland, SFC and Scottish Government have been resurrected and the College Funding Group meetings have been reestablished.
- Covid Recovery Group – now operational and replaces the previous Ministerial Task Force Group.
- Mental Health – starting to see differentiation of funding so more work required around this area to ensure colleges see parity of funding.
- £400 payment – request made for this payment to be administered through Scottish Qualifications Authority (SQA) and currently awaiting a decision.

WM left the meeting

7.2 Decision

Funding and Finance Committee

Members noted the verbal update provided.

Spending Review 2022/23 – Paper 7.1

Members endorsed the Draft Spending Review and requested that AW reinforce and strengthen the ask of the areas already included.

Infrastructure Investment

Members noted the verbal update provided.

College Principals Group

Members noted the verbal update provided.

Policy Update

Members noted the verbal updated provided.

8. Prevent Update

Agenda Item: 8 | Verbal | Lead: JMcC

8.1 Discussion

KM invited JMcC to provide a verbal update on recent activity around Prevent Strategy.

JMcC reported that Scottish Government are doing a review of the governance in relation to Prevent strategy, which will see training programs targeted at leadership teams, that will be built into existing mechanisms and work is continuing with College Development Network (CDN) to raise awareness of Prevent.

8.2 Decision

Members noted the verbal update.

9. Board and Committee Succession Planning

Agenda Item: 9 | Paper 9 | Lead: SS

9.1 Discussion

Paper 9 was noted.

SS reported that several board board/committee members tenures are due to come to an end by early 2022 and succession plans require to be considered as a matter of urgency to ensure stability going forward.

SS invited comments from board members on options and suggestions for repopulating committee memberships and chair and vice chair positions.

Members engaged in discussions around the length of time that public appointments are taking and how this could have a detrimental impact on any succession planning.

SS invited the board to ratify Angela McCusker as the new Chair of the Funding and Finance Committee as of 1 August 2021, following MF's departure.

9.1 Decision

SS agreed to continue the normal processes for population of vacant committee positions.

Members ratified AMcC as the chair of the Funding and Finance Committee as of 1 August 2021

10. Board External Effectiveness Review 2021/22

Agenda Item: 10 | Verbal | Lead: SS

10.1 Discussion

SS advised the board that the last external effectiveness review took place in 2017 and as per the Corporate Governance Code these should take place every three years and in addition the board should carryout internal effectiveness reviews on an annual basis, neither of which have taken place, as the board decided to cancel the last internal effectiveness review scheduled for 31 October 2019.

SS informed members that College Development Network (CDN) have a bank of Board Effectiveness Facilitators that have significant experience in governance within and out with the college sector. They are specially trained in providing Externally facilitated Board Effectiveness Reviews for the college sector and adherence to the Code of Good Governance for Scotland's Colleges. The cost for this is £6,000 plus expenses.

SS invited comments from members and asked the board if they wished to proceed with a CDN External Effectiveness review in the Autumn of 2021.

Members discussed at length the advantages and disadvantages of conducting an external effectiveness review given the amount of change at present and the two separate reviews currently ongoing.

10.2 Decision

Members agreed for SS to engage in a conversation with CDN around the options for an external Board Effectiveness Review.

11. Finance Report

Agenda Item: 11 | Paper 11.1-11.3 | Lead: SS

11.1 Discussion

Papers 11.1 – 11.3 were noted.

KM invited SS to speak to these papers

Management Accounts to 30 April 2021 and High Level Commentary and Q3 Forecast

SS informed the board that the following items are included in this paper and invite members of the Executive Team to provide updates on their areas:

- High Level Commentary
- Income and Expenditure Reports to 30th April 2021
- Balance Sheet as at 30th April 2021
- Q3 Forecast

SS asked the board to note the financial information provided on the basis that this has been scrutinised by the Chairs' Committee at its last meeting on Tuesday 15 June 2021.

Draft Budget 2021/22 and High Level Commentary

SS advised this paper presents the Draft Colleges Scotland Budget for 2021/22.

SS reported that the Chairs' Committee considered the draft budget at its last meeting on Tuesday 15 June 2021 and recommend the board endorse the draft budget.

SS invited questions and comments from board members and asked the board to endorse the Draft Colleges Scotland Budget for 2021/22.

KM reminded members that the ongoing Colleges Scotland review could have an impact on the budget for 2021/22 and it is likely that the budget will need to be revisited.

Members discussed at great length a variety of concerns surrounding the proposed budget, in particular the 2% inflationary increase in member subscriptions and the concerns some members had in relation to this being supported by their own college boards, some of whom have expressed concerns around the value for money that the annual Colleges Scotland membership subscription provides. For some colleges it is a choice between frontline services and paying subscriptions.

Draft Member Subscription Model 2021/22

SS advised this paper presents the Draft Colleges Scotland Member Subscription Model for 2021/22, with an increase of approximately £17k across the whole sector, equivalent of 2% and which represents an inflationary uplift.

SS informed members that the sector has seen an inflationary uplift of 2.4% for revenue funding in 2021/22 and that Colleges Scotland has managed a flat cash subscription model for a period of five years, followed by an increase to subscriptions which is equivalent to a 2% annual inflationary increase across the period. SS highlighted that the additional pension costs have been managed within the existing budget.

SS advised that the Chairs' Committee reviewed the Draft Member Subscription Model for 2021/22 at its last meeting on Tuesday 15 June 2021 and recommend the board endorse the Draft Member Subscription Model for 2021/22.

SS invited questions and comments and asked the board to approve the Draft Colleges Scotland Member Subscription Model for 2021/22.

Members continued to have similar dialogue as discussed under the draft budget paper and reiterated the point that the benefits of membership need to be made more explicit and should a Company Member choose not to pay then they should not continue to gain the benefits of membership of Colleges Scotland.

11.2 Decision

Management Accounts to 30 April 2021 and High Level Commentary and Q3 Forecast

Members noted the financial information provided.

Draft Budget 2021/22 and High Level Commentary

Members endorsed the draft annual budget for 2021/22 with the caveat that the budget is reviewed on a quarterly basis.

Draft Member Subscription Model 2021/22

Members endorsed the subscription model for 2021/22 and for invoices for to be issued to each region.

12. Staff Pay Award 2020/21

Agenda Item: 12 | Paper 12 | Lead: SS

12.1 Discussion

Paper 12 was noted.

KM asked JJ, HS and AW to leave the meeting for this agenda item.

KM invited SS to speak to this agenda item.

SS advised members that this paper outlines a proposed pay award for the Colleges Scotland staff in line with the college sector Support Staff Pay Award for 2020/21 and considers the costs to the organisation to implement this.

SS invited comments and questions and asked the board to endorse the recommendation by the Chairs' Committee to make a Pay Award to Colleges Scotland Staff in line with the Support Staff Pay Award for 2020/21, with the appropriate increase and back-dated salary to 1 September 2020.

SS reminded members that the proposed Pay Award has already been costed in the current 2020/21 budget, which was approved by the board at its meeting in June 2020.

12.2 Decision

Members approved a Pay Award to Colleges Scotland Staff in line with the Support Staff Pay Award for 2020/21, with the appropriate increase and back-dated salary to 1 September 2020.

13. HR and Health and Safety Update

Agenda Item: 13 | Paper 13 | Lead: SS

13.1 Discussion

JJ, HA and AW rejoined the meeting.

Paper 13 was noted.

KM invited SS to speak to this agenda item.

SS informed members that the following paper provides the board with an update on the current staffing complement and health & safety consideration for the period 1st January 2021 – 31st May 2021.

SS advised that a review of the organisation's approach to flexible working was being carried out due to the ongoing pandemic and that an external company called Flexibility Works had been commissioned to carry out this piece of work. SS reported that a final report was expected shortly and would be considered by the Executive and discussed with the staff, thereafter being shared with the board.

SS invited any comments or questions and asked the board to note the paper for information.

13.2 Decision

SS to share final Flexibility Works report with board once the Executive and staff have considered.

Members noted the paper for information.

14. Key Meeting Schedule 2021/22 and AOCB

Agenda Item: 14 | Paper 14 | Lead: KM

14.1 Discussion

Paper 14 was noted.

KM advised members that this paper outlines the key meetings of Colleges Scotland's governance structure from 1 August 2021 – 31 July 2022, that have been confirmed to date.

KM asked members to note the paper for information and input dates in diaries.

KM to invite any other competent business from board members.

14.1 Discussion

Members noted the paper for information.

There was no other competent business.

15. Date of Next Meeting

Agenda Item: 15 | Verbal | Lead: KM

The date of the next meeting is Thursday 14 October 2021 (1000-1300).

Signed _____

Date _____

Colleges Scotland Board Action Monitoring Log

Meeting of Thursday 28 January 2021				
Agenda Item	Action	Date	Owner	Status
3	<p>Stakeholder Engagement</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	In Progress
Meeting of Thursday 24 June 2021				
Agenda Item	Action	Date	Owner	Status
4.1	Action update as endorsed by the board to the current Corporate Governance Code and upload it to the website.	June 2021	LM	Complete
4.4	Action update endorsed by the board to the Business Continuity Plan and ICT Disaster Recovery Plan and circulate around the Executive and Linda Rankin.	June 2021	LM	Complete
5	The Chairs' Committee to continue to progress further options surrounding Members Liability, in parallel with the College Scotland Board Governance Working Group, and with input from JMcC and WH.	TBC	SS/KM	
7.1	AW to reinforce and strengthen the ask of the areas already included in the draft Spending Review for 2022/23.	TBC	AW	Complete
9	SS to continue the normal processes for population of vacant committee positions.	December 2021	SS	In Progress
9	Send email to the Funding and Finance Committee members confirming AMcC as the chair of the Funding and Finance Committee as of 1 August 2021.	June 2021	LM	Complete
10	Members agreed for SS to engage in a conversation with CDN around the options for an external Board Effectiveness Review.	October 2021	SS	Complete
11.2	Annual budget for 2021/22 to be reviewed on a quarterly basis.	October 2021	SS	Complete
11.3	Annual subscription invoices for 2021/22 to be issued.	July 2021	SS	Complete
12	Action Pay Award to Colleges Scotland Staff in line with the Support Staff Pay Award for 2020/21, with the appropriate increase and back-dated salary to 1 September 2020.	June 2021	LM	Complete
13	Share final Flexibility Works report with board.	October 2021	SS	In Progress

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