

Minute of Colleges Scotland Board

Thursday 26 January 2023, Argyll Court, Castle Business Park, Stirling, FK9 4TY

Present		
Waiyin Hatton (WH) (Chair)	Angus Campbell (ACa) (VC)	Liz Connolly (LC)
Margaret Cook (MC)	Audrey Cumberford (AC)	Susan Elston (SE)
Alex Linkston (AL)	Janie McCusker (JMcC)	Fiona McQueen (FMcQ) (VC)
Laurie O'Donnell (LO) (VC)	Nora Senior (NS)	Ronnie Smith (RS)
Shona Struthers (SS)	David Watt (DW)	
In Attendance		
Kirstie Laird (KL) (Minute)	Gavin Donoghue (GD)	Bethany Ferguson (BF) (Chiene + Tait) (VC)
Jen Johnston (JJ) (VC)	Andy Witty (AW)	
Apologies		
Trudi Craggs (TC)	Ray McCowan (RMc)	Lydia Rohmer (LR)
Caroline Stuart (CSt)		

1. Welcome and Apologies and Chairs Business

- 1.1. The chair welcomed members in attendance and recorded apologies.
- 1.2. Trudi Craggs (Interim Chair, Forth Valley College) was ratified as a board member by the board following Ross Martin's resignation as Chair of Forth Valley College on 30 November 2022.
- 1.3. Susan Elston (Chair, North East Scotland College) was ratified as a board member by the board following John Henderson's term ending as Interim Chair of North East Scotland College on 31 October 2022.
- 1.4. **Caroline Stuart has stepped down from the College Sector Finances Committee, leaving a board vacancy for one of Colleges Scotland's (CS) board members. Self-nomination forms are to be issued and should be returned to Karen Tracey/Andy Witty.**
- 1.5. David Watt was appointed as chair of College Employers Scotland (CES) at the CES meeting on 16 November 2022.
- 1.6. The board ratified David Watt as an ex-officio member of the Finance and General Purposes Committee following his recent appointment as Chair of CES.

2. Declaration of Interest Register

- 2.1. The chair referred the board to paper 2.1 and requested the board to make any amendments to their declaration of interest to Kirstie Laird (Board/Office Admin Officer) via email.

3. Minutes of Previous Meeting and Matters Arising

- 3.1. The board approved the minute of the last meeting as an accurate record noting that the action points marked as complete will be removed from the log.
- 3.2. The chair invited the board to raise anything for discussion not on the main agenda. There were no further comments from the board.

4. Audit and Risk Assurance

- 4.1. Ronnie Smith (RS) referred the board to Colleges Scotland's (CS) Corporate Report for year end 31 July 2022 (Paper 4.1).
- 4.2. RS noted the accounts presented to the board were scrutinised by the Audit and Risk Assurance Committee (ARAC) at their last committee meeting on Wednesday 14 December 2022.
- 4.3. The board were informed that due to the way the statement is presented it shows a loss in membership income although there was in fact a slight surplus in membership income.
- 4.4. The board noted the change in pension liability this year, with an accounting adjustment resulting in a positive balance.
- 4.5. RS informed the board that Jeremy Chittleburgh (Chiene + Tait, Senior Auditor), was present at the Audit Committee meeting in December and the committee were pleased with the first engagement with the new auditors.
- 4.6. The board approved the Financial Statement which includes the Summary Report, Letter of Representation, Reconciliation (Paper 4.1) and the Annual Governance Statement (Paper 4.2) without comment or amendment for presentation at the AGM.
- 4.7. The board thanked Bethany Ferguson (BF, Chiene + Tait) for attending the board. BF left the meeting (1013).
- 4.8. RS referred the board to the Risk Register (Paper 4.3) noting no changes to the document.
- 4.9. The board approved the risk register without comment.

5. CEO Report

- 5.1. SS advised the board that Paper 5.1 highlighted Colleges Scotland's key engagements and meetings attended by sector representatives and CS staff.
- 5.2. AW referred to the work on Purpose and Principles and the link to the sector's Think the Unthinkable (TtU) events (2.1 of the report). AW noted the Purpose and Principles document was published on 9 December 2022 with five principles set and CS issued a document in January 2023 which mapped the eight transformations from the sector's TtU event against the five principles set in the Purpose and Principles Report.
- 5.3. The consensus regarding the Purpose and Principles work was there was no clear Scottish Government (SG) guidance on direction for the college sector and that it should continue to push on with working up transformation options and increase momentum of TtU.
- 5.4. The board held a discussion on the transformation fund of £26m and the requirement for guidance on restrictions from SG/Scottish Funding Council (SFC) on its use.
- 5.5. **The board agreed direction from SG on their red lines is required and confirmation if different models would be considered with any restrictions. The Policy team will seek confirmation of any red lines SG may have on TtU options.**
- 5.6. The board noted the urgency for influencing SFC as their board meeting is on 10 March 2023 where it is believed decisions will be made on the transformation fund. AW confirmed CS is looking to meet with Karen Watt (CEO, SFC) ahead of the next round of finance committee and board meetings with plans in place to influence in the short timeframe available.

- 5.7. JJ confirmed 22 colleges out of 26 had responded to the communications survey issued as part of the CS Strategic work.
- 5.8. Following the survey it is noted the Daily Monitoring Report is deemed as great value by our members.
- 5.9. CS is currently in discussions with the Newspaper Licencing Authority (NLA) to work on solving the issue with subscription articles following comments around the articles within the Daily Monitoring Report that require subscription fees. Colleges are requested to speak to their own financing department to discuss access to articles behind a paywall.
- 5.10. The responses highlight they want to continue the Monthly Policy Briefings and Lines to Take briefings.
- 5.11. The survey requested nominations for champions for stakeholder engagement so far, 16 representatives have put their name forward.

6. Scottish Government Budget

- 6.1. Angus Campbell (ACa) confirmed CS analysed the SG budget announcement on 15 December 2022 providing helpful analysis to the sector. CS met with SFC on 10 January 2023 followed by the College Funding Group on 17 January 2023.
- 6.2. The board noted that to date, teaching will remain on flat cash, credits will potentially be reduced in value which in turn reduces the risk of clawback.
- 6.3. The budget announced an additional £26m fund for the sector although the exact focus of the funds is still to be determined. SG noted they are eager to work with the sector on steering the sector's transformation.
- 6.4. The College Sector Finances Committee through the College Funding Group is meeting with Karen Watt (CEO, SFC) before their council meeting in March 2023, which allows a short timeframe to influence SFC on the views and priorities of the sector for the funding.
- 6.5. The board discussed the budget announcement and what it meant to the sector over the next four years to give a true look at where the £26m transitional fund would be of most benefit.
- 6.6. **The board agreed the Finance Directors should refresh the financial plan for the next four years and to be circulated to college chairs' and principals' within 10 working days.**
- 6.7. **The board agreed the College Principals' Group would sense check the Finance Directors report and would address the transition fund during their meetings.**

7. National Bargaining Update

- 7.1. GD advised both sets of unions are seeking a £5k per person uplift with employers offering a 2% increase.
- 7.2. CES Executive met ahead of the EIS-FELA meeting, where a decision was made to not move at this stage on the offer.
- 7.3. CES has been placed into dispute by EIS-FELA for a lack of reasonable offer.
- 7.4. GD confirmed the Job Evaluation project remains a high risk due to the project funding from SFC ceasing at the end of January 2023 and the risk of losing the money set aside for Job Evaluation, due to non-disbursement.

- 7.5. DW advised the board of a vacancy for a college chair to join CES.
- 7.6. CES have invited the Trade Unions to approach SG alongside CES to request if any more funding can be found. EIS-FELA have refused, and the support staff have agreed to an alignment of asks but not a joint approach.
- 7.7. The board recognised the variety of issues that require continued workforce reform and the reshaping of curriculum but noted the £26m transformation fund won't cover all of these.

8. Colleges Scotland (CS) Strategy Tracker

- 8.1. SS Confirmed the Finance and General Purposes Committee reviewed the Strategy Tracker at their committee meeting on 12 December 2022. Some context has been included before the table to help explain each of the trackers following the committee's request to include additional narrative within the report.
- 8.2. AW confirmed there were two blue trackers within Policy due to staff resourcing and two vacancies within the Policy Team. As the vacancies have now been recruited the two blue areas will now be progressed and started.
- 8.3. JJ highlighted tracker 4A has not been started as the team is considering different options for progressing the survey for external stakeholders with consideration of the best use of the remaining budget for communications and public affairs.
- 8.4. The board discussed the purpose of the stakeholder survey along with options such as using those in the sector who network with external stakeholders regularly for a temperature check or the use of an external independent contractor for a more honest response with anonymity.
- 8.5. **The board agreed JJ is to make the decision on the most cost effective way to progress a survey with the aim of highlighting any gaps in stakeholders the sector communicates between Colleges Scotland and College Development Network.**

9. Colleges Scotland - Fit for Purpose Accommodation

- 9.1. SS referred the board to Paper 9.1 noting the Finance and General Purposes Committee assessed the paper at the committee meeting on 12 December 2022.
- 9.2. The Finance and General Purposes Committee analysed each of the eight different options presented before agreeing to present four of the eight options to the board for further discussion.
- 9.3. SS highlighted to the board that during the December Audit and Risk Assurance Committee the external auditors questioned the current dilapidations fund. After discussions with the landlord the realistic cost of dilapidations is nearer £75k.
- 9.4. The board discussed the criteria noted within the accommodation report and evidence used to base the figures presented and the recommendations from the Finance and General Purposes Committee.
- 9.5. **SS advised data on the volume of use for the offices would be collated and circulated to the board to help with any decision making.**
- 9.6. The board was informed the executive team gained legal guidance on staff consultations which will take place when the preferred option is identified.
- 9.7. **The executive team advised that they are in discussions to agree a viable radius from the current location. Once a distance has been agreed local colleges within the catchment area will be contacted to request a note of interest in their availability to**

host CS and CES staff based on the set criteria to meet the whole organisation and member's needs.

- 9.8.** The board agreed one criterion to be considered when approaching other organisations is the availability of a guaranteed space for staff and conferences to minimise disruption to the work of the organisation.
- 9.9.** The board was informed the work being progressed for the fit for purpose accommodation will be presented to the Finance and General Purposes Committee again before a final recommendation is taken to the board for decision making.
- 9.10.** One member highlighted that within the costings in the report the dilapidations were included within the first year's costs rather than under exceptional costs and suggested this be factored in as after the exceptional costs it may be cheaper in following years.
- 9.11.** The board considered the options on Option 4 'Situated in a member college' noting the following comments:
- need guaranteed space, i.e. no restrictions on use in the future
 - need for control over use of own space
 - need to consider stakeholder and partner perception on CS's profile
 - need to make a decision not based purely on costings, but satisfying the needs noted above.
- 9.12.** The board approved the proposed criteria:
- affordability
 - fit for purpose for member services provided, including adequate video conferencing facilities
 - fit for purpose for hybrid working
 - work for both CS and CES staff and members.
- 9.13. The board agreed the next steps to be taken by SLT:**
- **discussions with members as to the pros and cons of a member college hosting CS and CES staff in fit for purpose accommodation which meets set criteria**
 - **appropriate consultation with the subtenants (ESP and WorldSkills) to gather information**
 - **appropriate consultation with key stakeholders of CS and CES to gather information**
 - **appropriate consultation with staff at the point there is a proposal which meets the criteria**
 - **SLT to present the findings to the next meeting of the Finance and General Purposes Committee**

10. CS Financial Reporting

- 10.1.** AW referred the board to the latest Management Accounts for CS (Policy and Communications) (Paper 10.1) noting the accounts were reviewed by the Finance and General Purposes Committee at their December meeting.
- 10.2.** The board noted a change to subscriptions since the accounts had been produced with only one invoice remaining outstanding.
- 10.3.** GD advised the board the Management Accounts presented for CES (Paper 10.2) showed spend was £25k less than the budget due to the uncertainties surrounding the funding from SFC. This has now been projected in the forecast.
- 10.4.** The board noted both sets of Management Accounts without comment.

10.5. The board acknowledged the CES future funding report presented (Paper 10.3) noting the agreed funding for 2022/23 and a hybrid funding arrangement for 2023/24 with top slicing with the progression to a fully top sliced funding model for 2024/25.

10.6. The board noted the future funding report without comment.

11. **Governance Update**

11.1. The board noted the information in the Governance Workplan (Paper 11.1) noting the governance work from both CS and CES are being progressed following the CS Strategy Review and CES Governance Review.

12. **Committee & Group Minutes**

12.1. The chair referred the board to the links provided within the paper pack and encouraged the board members review the information from each CS Committee and Advisory Group at their own convenience.

13. **AOCB**

13.1. One board member requested an update on the governance element of the CS Review and clarity of how the work on TtU connected with the review or if it replaced the review work.

13.2. The board was reminded of the Time Line of Events from the CS Strategy Review which was issued in November 2022 and which included details on the consultation period in April-May 2022 and final sign off of the strategy in May 2022.

13.3. The board was referred to the Strategy Tracker (Paper 8.1) and the Governance Workplan (Paper 11.1) which tracked the progression of output and ongoing work from the CS Strategy Review which concluded May 2022.

13.4. The board was reminded of the decision from the board meeting on 23 June 2022 where the board agreed the budget for 2023/24 on a flat-cash basis for subscriptions to be paid with the explicit understanding that not all actions from the agreed strategy for CS reflected within the Strategy Tracker/Governance Workplan could be progressed immediately.

13.5. **The board agreed that a board development day should be scheduled to enable reflection on CS's Strategy 2022-26 in the light of the sector's landscape.**

13.6. The board was reminded of the Love Scotland's College Week campaign in partnership with CDN which runs for one week starting Monday 13 February 2023.

13.7. The college open week (COW) is scheduled for week commencing 20 March 2023.

14. **Date of Next Meeting**

14.1. The board noted the date of the next board meeting, Thursday 23 March 2023 (1230-1500).

NB: Actions from the meeting are emboldened and are recorded in the Action Log.

Board of Management Action Monitoring Log

Actions from 26 January 2023 Meeting				
Action Ref	Action	Owner	Due Date	Status
230126 - 1.5	Caroline Stuart has stepped down from the College Sector Finances Committee, leaving a board vacancy for one of Colleges Scotland's (CS) board members. Self-nomination forms are to be issued and should be returned to Karen Tracey/Andy Witty.	AW/KT	17-Mar-23	Complete 15-Feb-23
230126 – 5.5	The board agreed direction from SG on their red lines is required and confirmation if different models would be considered with any restrictions. The Policy team will seek confirmation of any red lines SG may have on TtU options.	Policy		Ongoing
230126 – 6.6	The board agreed the Finance Directors should refresh the financial plan for the next four years and to be circulated to college chairs' and principals' within 10 working days.	AW/ACa	9-Feb-23	Complete 24-Feb-23
230126 – 6.7	The board agreed the College Principals' Group would sense check the Finance Directors report and would address the transition fund during their meetings.	AW/AC		Complete 7-Feb-23
230126 – 8.5	The board agreed JJ is to make the decision on the most cost effective way to progress a survey with the aim of highlighting any gaps in stakeholders the sector communicates between Colleges Scotland and College Development Network.	JJ		Ongoing
230126 – 9.5	SS advised data on the volume of use for the offices would be collated and circulated to the board to help with any decision making.	Exec/Admin		Completed 23-Mar-23
230126 – 9.7	The executive team advised that they are in discussions to agree a viable radius from the current location. Once a distance has been agreed local colleges within the catchment area will be contacted to request a note of interest in their availability to host CS and CES staff based on the set criteria to meet the whole organisation and member's needs.	Exec/Admin		Complete 20-Mar-23
230126 – 9.13	The board agreed the next steps to be taken by SLT: <ul style="list-style-type: none"> discussions with members as to the pros and cons of a member college hosting CS and CES staff in fit for purpose accommodation which meets set criteria appropriate consultation with the subtenants (ESP and WorldSkills) to gather information appropriate consultation with key stakeholders of CS and CES to gather information appropriate consultation with staff at the point there is a proposal which meets the criteria SLT to present the findings to the next meeting of the Finance and General Purposes Committee 	SLT		Ongoing
230126 – 13.5	The board agreed that a board development day to be scheduled to enable reflection on CS's Strategy 2022-26 in the light of the sector's landscape.	WH/Exec/Ad min		Ongoing
Actions from 23 June 2022 Meeting				
Action Ref	Action	Owner	Due Date	Status
220623 - 4.4	The chair will schedule a board evaluation for 2024. An interim progress report based on comments contributed at one-to-one meetings with the chair will be prepared.	Chair/Exec	Jun-24	Ongoing

Actions from 23 June 2022 Meeting				
Action Ref	Action	Owner	Due Date	Status
220623 – 4.8	On conclusion of the sector leadership work, a meeting would be arranged with key stakeholders to ensure a more joined up approach to future budget challenges and implications.	SLT/Admin	TBC	Ongoing
Actions from 27 January 2022 Meeting				
Action Ref	Action	Owner	Due Date	Status
220127 - 7.2.1	CES to review Governance to ensure it is fit for purpose.	CES	Oct-22	Progressing, Prof. Ron Hill undertaking an independent review.