

Minute of Colleges Scotland Board

Thursday 15 June 2023, Argyll Court, Castle Business Park, Stirling, FK9 4TY

| Present | | |
|--------------------------------|---|-----------------------|
| Waiyin Hatton (WH) (Chair) | Laurie O'Donnell (LO) | Nora Senior (NS) * |
| Angus Campbell (ACa) | Ray McCowan (RMc) | Ronnie Smith (RS) |
| Liz Connolly (LC) | Janie McCusker (JMc) | Shona Struthers (SS) |
| Trudi Craggs (TC) * | Fiona McQueen (FMc) * | David Watt (DW) |
| In Attendance | | |
| Frances Harrower (FH) (Minute) | John McKendrick (JMck) <i>(Agenda Item 1 only)</i> | Andy Witty (AW) |
| Apologies | | |
| Margaret Cook (MC) | Susan Elston (SE) | Caroline Stuart (CSt) |
| Audrey Cumberland (AC) | Alex Linkston (AL) | Lydia Rohmer (LR) |

* *via video conferencing*

1. Welcome and Apologies

- 1.1. WH welcomed members to the meeting. Apologies were noted as above. FH advised that NS would be joining the meeting at 1030.

2. Strategic Stakeholder Dialogue

- 2.1. WH welcomed John McKendrick to the meeting and invited him to provide the board with an update on the work he has been undertaking during the last six months while in his new post as Commissioner for Fair Access to Higher Education in Scotland.

- 2.2. Key points from the address by JMck to the board are noted below:

- Spent the last six months engaging and consulting with universities and colleges directly.
- Still need to do more engagement with schools as this agenda needs to cascade down to earlier than S5/S6.
- It is clear there is not the same fair access for tertiary education as there is for higher.
- There are key challenges post-Covid and now the cost-of-living crisis, so priorities need to be realistic.
- Had hoped to have produced a report before now but latest data is not available until July and there is too much happening across the landscape in terms of Reviews which need to be considered. Will be waiting for the Hayward report before finalising any recommendations.
- There is a lot of data that is not being used and a lot of data that is not being captured either by the Scottish Government, Scottish Funding Council, universities, colleges and schools etc (unique identifier – learner journey – recording positive destinations). It is disappointing that data is not being properly captured to show the success of students from deprived areas.
- Will be identifying what data should be collected and what is done with it.
- Will also be identifying the funding injustices – FE/HE, part-time learners, students that are required to work alongside studying.
- Scottish Index of Multiple Deprivation (SIMD) is a distraction and can cause fundamental problems as it does not serve rural areas well. Need to find a better way of presenting it.

- 2.3. The following comments and further suggestions were provided by members:

- Consider engaging directly through Developing the Young Workforce.
- Geographical barriers are important. Consider factoring in rurality as a metric.
- There is a need to engage with the Highlands and Islands. Suggest that the Young Islanders Network is consulted with.
- Some colleges cannot meet the ever-stretching targets (10% moving it to 20%) for entrants to higher education coming from the most deprived communities due to SIMD unless they recruit out with their demographic.
- Students cannot always afford to live where they might want to study.
- Recommendations for change need to ensure students are supported financially with the choices they are making.

2.4. WH thanked JMck for his contribution. JMck left the meeting.

2.5. WH encouraged members to suggest other relevant speakers for future events.

3. Declaration of Interests

3.1. SS declared a potential conflict of interest under Agenda Item 9 – Colleges Scotland Annual Staff Pay Award as this would include herself.

3.2. WH proposed that when it came to this item on the agenda then the board would discuss this in private without any Colleges Scotland staff present including SS.

3.3. WH reported that she had not received any items under AOCB.

4. Minute of Previous Meeting and Matters Arising

4.1. The draft minute of the previous meeting outlined in Paper 4.1 was noted by members.

4.2. SS provided a verbal update on the outstanding actions which were not covered on the agenda.

Fit for Purpose Accommodation (Ref: 230126 – 9.13)

4.3. SS updated members on developments on this area as follows:

- 11 colleges were approached in February 2023 to ask if they would host the organisation and no offer was received.
- Initial discussions/consultation has taken place with both ESP and WorldSkills:
 - Jim Brown, Director of ESP advised that they were keen to remain in Argyll Court, alongside Colleges Scotland and were also content with the current set-up of two wings. An enquiry was made as to whether ESP could increase their rent contributions and Jim Brown agreed to consider this, if Colleges Scotland were to remain with the two wings.
 - Martin McGuire is due to leave his post with WorldSkills in June 2023 and discussions have taken place with Ben Blackledge, Chief Executive and he advised that WorldSkills will be looking at keeping a resource in Scotland and seemed keen to continue to be based in Argyll Court along with the other sector agencies.
- Initial discussions have taken place with staff. The existing hybrid working arrangement continues which staff seem to appreciate.
- Business meetings are becoming more and more in-person, and this includes planned College Employers Scotland meeting activity with trade union engagement for 2023/24. These are putting more demands on use of the facilities.
- Data on usage in the office and meeting rooms continues to be gathered, noting that usage will reduce over the summer holiday period.
- There has been an increase in external bookings for the meeting rooms with recent meetings hosted for CDN (VP Curriculum Group) and SQA (NextGen Computing - Grading Model). Being located in central Scotland and having ICT/video conferencing

facilities is an incentive for externals to hold meetings at Argyll Court, Stirling. While external bookings bring in a small amount of additional income, it also has further benefits by providing networking opportunities for staff and members when visitors are in the building.

- The video conferencing equipment in the meeting rooms is in the process of being upgraded. The Scottish Funding Council provided the initial investment for this five years ago for the then Employers' Association and with Covid creating a virtual meeting world, there is better technology on the market which could benefit our members and users.
- The Senior Leadership Team will look to produce data on usage and present some options to take to the Finance and General Purposes Committee in September 2023, before bringing final recommendations to the board in October 2023.

Board Development Day (Ref: 230126 – 13.5)

4.4. SS advised that a separate session will be arranged for a board development day during 2024 to reflect on the Colleges Scotland's Strategy 2022-26 once all the other key reviews in addition to the *Review of the Skills Delivery Landscape* by James Withers have been published. Further details on this will be shared with the board at a later date.

4.5. **The board approved the minute as an accurate account of the meeting and noted that all actions marked as complete would be removed from the action log.**

5. CEO Report

5.1. The CEO report outlined in Paper 5.1 was noted by members.

5.2. Members welcomed the James Withers report on the *Independent Review of the Skills Delivery Landscape* and agreed that there would be some quick wins for the sector if it could identify areas which were aligned with the outputs from Think the Unthinkable to maximise the opportunities presented from Withers. It was agreed however, that the sector needed to drive this agenda forward and accelerate the delivery of these, with colleges taking the lead. Members agreed that Colleges Scotland needed to outline from Think the Unthinkable outputs what the focus should be on and what could be achieved relatively quickly. It was re-enforced that the flexibilities sought are crucial to making a positive difference to the sector and that the outcomes and benefits to the Scottish Government, learners etc should be emphasised to the Minister and officials.

5.3. While the board expressed support for a single funding body, it was still unclear what the sector would want to see from such a body. Noting that would be diverse views on what it could look like, it was suggested that the sector should put forward characteristics of an effective body for comment by College Chairs' Group and College Principals' Group.

5.4. **The board agreed that Colleges Scotland would further shape areas of activity as short, medium and longer-term priorities and consult with the College Principals' Group and College Chairs' Group before signing off with the board.**

6. Colleges Scotland Strategy

Strategy Trackers

6.1. The updated strategy tracker outlined in Paper 6.1 was noted by members.

6.2. AW introduced the paper and reported that the updated strategy tracker was considered and discussed at the Finance and General Purposes Committee on Thursday 1 June 2023, and it was agreed to include further columns to illustrate the impact and outcomes against each individual tracker, of each individual strategic aim as well as the BRAG status.

- 6.3. Members appreciated that there had been other areas of focus and priorities since the five aims were agreed by the board in May 2022 (Think the Unthinkable, Withers report, Scottish Government's Purpose and Principles, Hayward Review etc) and that this had informed most of the activity during 2022/23. It was suggested that going forward key activity could be grouped as well as reported using diagrams to show performance at a glance.
- 6.4. AW sought suggestions from board members on how best to demonstrate impact and outcomes against each of the trackers. This is particularly welcomed on areas where the results are out with the control of Colleges Scotland.
- 6.5. **Board members to provide ideas on ways to demonstrate impact and outcomes of each individual strategy aim directly to AW.**

Art of the Possible – Outputs from Think the Unthinkable Conventions

- 6.6. The outputs from Think the Unthinkable which were endorsed by the senior sector leaders (chairs and principals) at the Convention 5 meeting on Tuesday 6 June 2023 outlined in Paper 6.2 were noted by members.
- 6.7. AW introduced the paper and commented that the outputs were at an intermediate stage, to allow key elements of the messaging to be explored further with the Scottish Government and other stakeholders.
- 6.8. AW advised that he was seeking agreement from the board with regards to the outputs presented in relation to Working Group 1 – Regional Skills Delivery and Working Group 2 – Digital, and the proposed direction of the work required to deliver the medium-term underpinning requirements for Working Group 3 – Evidence, Analysis and Structural Models and Working Group 4 – Workforce, as well as agreement that each of the working groups can continue with this work.
- 6.9. Members appreciated that there had been a significant amount of work undertaken however, felt that further work was needed to align the recommendations to Withers and demonstrate the proof of concept by showing stages of implementation in the form of a Routemap with clear outputs (including running pilots) and timescales. It was also recommended that there was a need to outline what could be achieved relatively quickly and what needed to be longer-term priorities, as well as a setting out what funding and support would be required and where the funding would come from.
- 6.10. The chair formally recorded appreciation to all who have contributed to Think the Unthinkable conventions and workstreams.
- 6.11. **AW to feedback the views of the board to the working group leads and ask for support in setting out clear outcomes, benefits and timeframes, as well funding and support required for each of the areas.**

7. Board Cycle of Business for 2023/24

- 7.1. The board draft cycle of business for 2023/24 as outlined in Paper 7.1 was noted by members.
- 7.2. FH commented that the cycle mainly followed on from committee business. FH reported that there was also a requirement to include a board evaluation session during 2024 which is proposed as taking place in June and that the intention is to use the existing board meeting date and to organise a session to follow on.
- 7.3. **The board endorsed the annual cycle of business.**

8. Audit and Risk Assurance Committee

Risk and Regulatory Update

- 8.1. The Risk Register outlined in Paper 8.1 was noted by members.
- 8.2. SS advised that the Audit and Risk Assurance Committee had reviewed and discussed updates and proposed amendments to the risk register at its meeting on Monday 5 June 2023 and presented these to the board for further consideration and agreement.

8.3.

Independence and Objectivity Review of Auditors

- 8.4. The Audit and Risk Assurance Committee chair's evaluation of Chiene + Tait for the year ending 31st July 2022 as outlined in Paper 8.2 was noted by members.

External Audit Plan for the Year End 31st July 2023

- 8.5. The external audit planning document outlined in Paper 8.3 was noted by members.
- 8.6. SS advised that the Audit and Risk Assurance Committee raised concerns with the auditors at the meeting on Monday 5 June 2023 regarding the proposed timetable for conducting the field work, given that Colleges Scotland had transitioned to new finance providers in the middle of a financial year. SS reported that Chiene + Tait had provided reassurance to the committee that as part of the audit planning work they would assess the situation and if timescales needed to be amended, then they would be.
- 8.7. **The board endorsed the external audit planning document.**

Business Continuity Plan and ICT Disaster Recovery Plan

- 8.8. The updated plan outlined in Paper 8.4 was noted by members.
- 8.9. FH advised that the updated plan was considered by the Audit and Risk Assurance Committee at its meeting on Monday 5 June 2023 and is now being recommended to the board to endorse. FH reported that the plan provided guidance to the Senior Leadership Team and designated staff in the event of a major disaster. FH commented that the plan will be updated with staff and key contact changes once we changed our finance and HR service providers, and then reviewed and updated every two years thereafter as part of the committee's cycle of business.
- 8.10. DW recommended that the Senior Leadership Team conducted a simulation test to check that the plan is effective.

8.11. **The board endorsed the updated plan.**

8.12. **The board agreed that the Senior Leadership Team carries out a simulation test to check that the plan is effective and report back to the Audit and Risk Assurance Committee.**

Committee Cycle of Business for 2023/24

- 8.13. The Audit and Risk Assurance Committee's draft cycle of business for 2023/24 outlined in Paper 8.5 was noted by members.
- 8.14. FH reported that the draft annual cycle of business was considered by the Audit and Risk Assurance Committee at its meeting on Monday 5 June 2023 and is now being recommended to the board to endorse.

- 8.15. FH also reported that the committee had also reviewed the Terms of Reference alongside its current membership and agreed that it would benefit from an additional board member on the committee to assist with quorum at business meetings.
- 8.16. FH advised that the committee was also seeking to co-opt a member onto the committee who had relevant financial or audit experience but were seeking agreement from the board to change the term of appointment for co-opted members from one year to two years.
- 8.17. **The board endorsed the committee's annual cycle of business and agreed to change the term of co-opted members on all committees to a period from one year to two years.**

9. **Finance and General Purposes Committee**

CS Management Accounts to 31st March 2023 and Q2 Forecast

- 9.1. The CS management accounts outlined in Paper 9.1 were noted by members.

CES Management Accounts to 31st March 2023 and Q2 Forecast

- 9.2. The CES management accounts outlined in Paper 9.2 were noted by members.

Draft Colleges Scotland Budget 2023/24

- 9.3. The draft budget outlined in Paper 9.3 was noted by members.
- 9.4. AW reported that the draft budget had been discussed at the Finance and General Purposes Committee meeting on Thursday 1 June 2023. AW advised that the committee had agreed to present the draft budget to the board for approval but asked for further explanation to be included in the paper which outlined the considerations and assumptions made by the Executive Team, as well as assurances that the five-year plan was sustainable for delivering the vital work of the agreed Strategy.
- 9.5. AW advised that the budget had been produced based on an assumption that subscriptions would be maintained at the current level with no increase.
- 9.6. AW advised that decisions had been made not to replace two part-time support roles and instead to utilise resource from within current staffing arrangements. AW advised that this meant that staff costs had moved from 78% to 70% of the overall budget.
- 9.7. Members raised concerns around the financial sustainability of the sector in terms of cuts to college funding and the ability to maintain the same levels of funding for Colleges Scotland in the future.
- 9.8. **The board agreed the Colleges Scotland draft budget for 2023/24 as presented.**

Draft College Employers Scotland (CES) Budget 2023/24

- 9.9. The draft budget outlined in Paper 9.4 was noted by members.
- 9.10. SS reported that as per the Colleges Scotland draft budget, the Finance and General Purposes Committee had considered the draft budget and agreed to present to the board for approval following further explanation. SS advised that the draft budget presented was in line with the agreed business case.

9.11. [Redacted]

9.12. Members raised concerns around the ability to maintain the same levels of funding for College Employers Scotland in the future.

9.13. **The board agreed the College Employers Scotland draft budget for 2023/24 as presented.**

Draft Colleges Scotland Member Subscription Model 2023/24

9.14. The draft member subscription model outlined in Paper 9.5 was noted by members.

9.15. AW advised that the draft subscription model had been discussed at the Finance and General Purposes Committee meeting on Thursday 1 June 2023 and that the committee agreed that further revisions were needed to the paper which highlighted the fact that subscriptions had remained mainly stationary for the last five years and meant that the organisation has had to manage on a fixed budget year on year, regardless of rises in inflation staff costs and meeting changing needs of the membership. AW reported that the committee had agreed to present the draft subscription model for 2023/24 to the board for approval. AW advised that the proposal would be to hold subscriptions at the current level for each region.

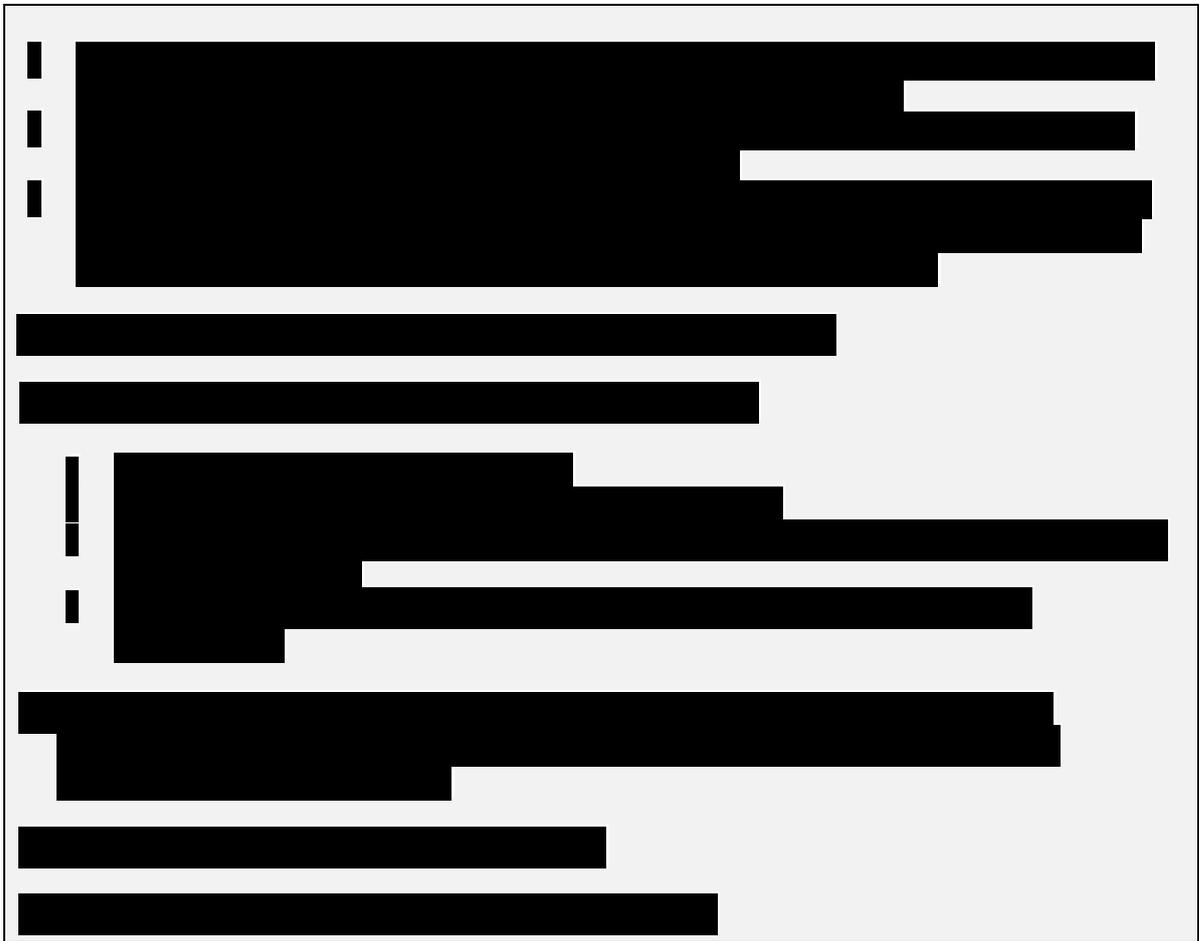
9.16. **The board agreed the Colleges Scotland Member Subscription Model for 2023/24 as presented.**

CS Annual Staff Pay Award

9.17. The draft recommendations for a Pay Award outlined in Paper 9.6 were noted by members.

9.18. It was agreed that this item would be discussed by the board in private, without any Colleges Scotland staff present. The following section of the minute was provided by the chair of the board following the meeting and outlines the discussion and decision taken by the board regarding the staff Pay Award:

[Redacted]



SS, AW and FH rejoined the meeting.

Committee Cycle of Business for 2023/24

- 9.19.** The Finance and General Purposes Committee draft cycle of business for 2023/24 outlined in Paper 9.7 was noted by members.
- 9.20.** FH commented that a part of the recommendations from the board's Governance Review and the subsequent agreed workplan, it was agreed by the board to:
1. Rename the previous Chairs' Committee to the Finance and General Purposes Committee which had already happened.
 2. Review the committee's Terms of Reference and the Governance Code's Scheme of Delegation to ensure compatibility with the committee's name change and potential devolved powers from the board.
 3. Review the membership to ensure it is appropriate – including the standardised board member representation and relevant co-optees on all committees.
- 9.21.** FH reported that progress on 2 and 3 would continue over the next few months however, until such time that there is a formal change the current Terms of Reference, the current version would be used to inform the annual cycle of business.
- 9.22.** FH advised that the draft cycle was considered by the Finance and General Purposes Committee at its meeting on Thursday 1 June 2023 and is now being recommended to the board to endorse.
- 9.23.** JMc asked for an update on the Governance Review workplan in terms of the reviewing the three advisory groups (College Chairs' Group, College Principals' Group and Good Governance Steering Group). FH advised that Ron Hill had been commissioned to carry out an external review of the advisory groups and had produced a report on the findings with suggestions of how the practices on each of the groups could be improved. FH reported that the Finance and General Purposes Committee had considered the report

at its meeting on Thursday 1 June 2023 and progress continues in reviewing the Terms of Reference for all three advisory groups.

9.24. FH informed the board that she would provide a further update on the work around the three advisory groups at the next board meeting, along with providing a copy of Ron Hill's report.

9.25. The board endorsed the committee's annual cycle of business.

10. College Sector Finances Committee

Scottish Government Draft Budget 2024-25 Submission

10.1. The draft sector budget submission for 2024-25 outlined in Paper 10.1 was noted by members.

10.2. AW reported that the paper sets out the proposed structure and approach which builds on earlier discussions including at College Sector Finances Committee, Colleges Scotland Board, College Principals' Group and College Chairs' Group. AW invited the board to review the proposed structure and approach and raise any other points for discussion.

10.3.

[REDACTED]

10.4. AW to include the views from the board on the proposed structure and approach to the Colleges Scotland submission to the Scottish Government's Draft Budget 2024-25.

Committee Cycle of Business for 2023/24

10.5. AW advised that the College Sector Finances Committee would agree a Cycle of Business at their next meeting and present back to the board at the next meeting.

11. College Employers Scotland (CES)

Memorandum of Authority between Colleges Scotland and College Employers Scotland

11.1. The final draft Memorandum of Authority outlined in Paper 11.1 was noted by members.

11.2. DW reported that it was the recommendation of College Employers Scotland for the requirement for the Colleges Scotland board to ratify the chair and vice-chair and for the bank account to remain in place.

- 11.3. DW advised that the Memorandum of Authority would formally commence AY 2023/24 and be reviewed every two years.
- 11.4. **The members agreed that the board should continue to ratify the Chair and Vice-Chair and for the bank account to remain in place.**
- 11.5. **The board approved the Memorandum of Authority as presented.**

College Employers Scotland Assurance Reports

- **National Bargaining**

- 11.6. DW provided the board with a brief update on matters relating to National Bargaining.

11.7.

- **Job Evaluation**

- 11.8. DW provided the board with a brief update on matters relating to the Job Evaluation Project.

12. Any Other Competent Business

- 12.1. WH reported that AC would be shortly stepping down as chair of the College Principals' Group and as a Colleges Scotland board member, as both positions were linked. In the absence of AC, a note of thanks was provided by WH on behalf of the board for her time and contribution over the years and in her role as vice chair on the board.

13. Date of Future Meetings

- 13.1. WH advised that the board was scheduled to meet again on Thursday 26 October 2023 (1000-1300).

NB: Bolden text are decisions and actions which are captured in the action log.

Action Monitoring Log

| Actions from 26 January 2023 Meeting | | | | |
|--------------------------------------|--|-------------------|----------|--------|
| Action Ref | Action | Owner | Due Date | Status |
| 230126 – 9.13 | The board agreed the next steps to be taken by SLT re Colleges Scotland Fit for Purpose Accommodation: <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 | Jun-23 | |
| 230126 – 13.5 | The board agreed that a board development day be scheduled to enable reflection on CS's Strategy 2022-26 in the light of the sector's landscape. | WH/Exec/ Admin | Jun-24 | |
| Actions from 15 June 2023 Meeting | | | | |
| Action Ref | Action | Owner | Due Date | Status |
| 150623 – 5.4 | Colleges Scotland to further shape areas of activity (were aligned with the outputs from Think the Unthinkable to maximise the opportunities presented from Withers) as short, medium and longer-term priorities and consult with the College Principals' Group and College Chairs' Group before signing off with the board. | SLT | Oct-23 | |
| 150623 – 6.5 | Board members to provide ideas on ways to demonstrate impact and outcomes of each individual strategy aim (Strategy Trackers) directly to AW. | Board | Oct-23 | |
| 150623 – 6.11 | AW to feedback the views of the board (Think the Unthinkable) to the working group leads and ask for support in setting out clear outcomes, benefits and timeframes, as well funding and support required for each of the areas. | SLT | Oct-23 | |
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| 150623 – 8.12 | SLT to carry out a simulation test to check that the Business Continuity Plan and ICT Disaster Recovery Plan is effective and report back to the Audit and Risk Assurance Committee. | SLT | TBA | |
| 150623 – 8.17 | Change the term of co-opted members on all committees to a period from one year to two years. | Comp Sec | Oct-23 | |
| | | | | |

| Action Ref | Action | Owner | Due Date | Status |
|---------------|--|----------|----------|--------|
| 150623 – 9.24 | Provide a further update on the work around the three advisory groups at the next board meeting, along with a copy of Ron Hill's report. | Comp Sec | Oct-23 | |
| 150623 – 10.4 | AW to include the views from the board on the proposed structure and approach to the Colleges Scotland submission to the Scottish Government's Draft Budget 2024-25. | SLT | Oct-23 | |