

Minute of Colleges Scotland Board

Thursday 25 January 2024, Argyll Court, Castle Business Park, Stirling, FK9 4TY

Present		
Waiyin Hatton (WH) (Chair)	Susan Elston (SE) *	Derek Smeall (DS)
Angus Campbell (AC) * <i>(Agenda Items 1 -7 only)</i>	Alex Linkston (AL)	Ronnie Smith (RS) * <i>(Agenda Items 1 -8 only)</i>
Joanna Campbell (JC)	Janie McCusker (JMc)	Shona Struthers (SS)
Liz Connolly (LC)	Laurie O'Donnell (LO) *	Caroline Stuart (CS)
Margaret Cook (MC)	Nora Senior (NS) *	David Watt (DW)
In Attendance		
Gavin Donoghue (GD)	Marie Hendry <i>(Agenda Items 1 & 2 only)</i>	Andy Witty (AW)
Frances Harrower (FH) (Minute)	Jen Johnston (JJ) <i>(Agenda Items 1 -7 only)</i>	
Fiona Hutchison <i>(Agenda Items 1 & 2 only)</i>		
Apologies		
Trudi Craggs (TC)	Ray McCowan (RMc)	Fiona McQueen (FMc)

* *via video conferencing*

1. Welcome and Apologies

- 1.1. WH welcomed members to the meeting. WH acknowledged that this was the first meeting for JC and DS since they both joined the board. WH also welcomed back JMc following her recent reappointment as Regional Chair of Glasgow Colleges' Regional Board. Apologies were noted as above.

2. Strategic Stakeholder Dialogue


- 2.1. WH welcomed Fiona Hutchison, Head of Research at The Diffley Partnership as well as Marie Hendry from College Development Network (CDN) to the meeting. WH advised that Mark Diffely was unable to make the meeting due a recent injury.
- 2.2. WH invited Fiona Hutchison to provide the board with an overview of the key findings from the following two research reports:
- *Colleges Scotland Stakeholder Research* (June 2023)
 - *Mixed Methods Research on the Perceptions, Strengths and Weaknesses of a College Education* – CDN Marketing and Communications Network (June 2022)
- 2.3. Key points from the presentation by Fiona Hutchison relating to the CDN research are noted below:
- Data was captured based on the 2020/21 academic session.
 - Views were gathered based on topics relating to experiences around professional learning, digital capability, equality, diversity and inclusion and learning for sustainability. Additional information was collected on demographics (age, gender, disability status) and their role (type of role, length of service, working status).
 - There were 1,810 responses to the survey and key findings showed that:
 - Approximately 2 hours per month on average is spent on training and learning.
 - A fifth of staff (22%) did not feel that they received all the training they needed.
 - Seven in ten colleagues (70%) prefer learning through face-to-face workshops.

- 86% of all staff felt that they had the necessary digital capabilities to perform their required duties however, 80% of staff stated that they would benefit from further training to improve on this.
- 93% of the workforce felt they have the skills, knowledge and understanding to promote equality, diversity and inclusion within their area of work and 57% stated they had undertaken professional learning in this area.
- 27% of college sector staff outlined that they understood their role in relation to learning for sustainability or education for sustainable development, with 50% of staff feeling confident about engaging in this area, with 14% having undertaken professional learning activities.

2.4. Key points from the presentation by Fiona Hutchison relating to the Colleges Scotland research are noted below:

- The mix methods research was conducted using stakeholders from across the college sector and was conducted using an online survey which gained 49 responses and online interviews which nine took part in.
- Findings showed that the stakeholders which took part agreed that colleges' strengths included community anchors with strong links locally, knowledge and expertise of teaching staff, contributing to learning, varied and diverse learning opportunities, strength of industry connections as well as governance and management of colleges.
- Findings showed that the sector's challenges were the need to juggle their core functions of teaching and learning alongside student welfare, as well as being under-supported and overlooked.
- Stakeholders' familiarity with colleges as employers is largely tied into their understanding of the uncertainty in their funding settlements.
- Stakeholders had favourable impressions of Colleges Scotland being most positive about the work to raise the profile of Scottish colleges. They also appreciated the complexity faced with having to fairly represent twenty-six colleges, each with their own local needs and circumstances and felt they had a crucial role to play in the coming months and years as the college sector reshapes and responds to changing social and educational needs. Suggestions for improvements included:
 - Champion the broad work of colleges to deliver societal impacts, but supplement with specific examples of learner and community voices which stakeholders can use and share.
 - Explain how colleges fit within wider societal and economic challenges for Scotland, or they will be seen as out of touch and operating in an echo-chamber.
 - Be a critical friend for colleges – champion but also positively challenge their membership as other membership organisations are seen to do.
 - At all times, hold a comprehensive view of colleges in order to spot opportunities for efficiencies and collaboration.
- The Diffley Partnership observations based on the finding and suggestions for both Colleges Scotland and the sector included:
 - Keep emphasising the strength of the sector.
 - Keep developing for the future.
 - Keep reviewing the college offer for learners.
 - Share stories of lived experience.
 - Direct influencing with political representatives and indirect influencing through key stakeholders.
 - Frame colleges as part of the solutions.
 - Cross-college staff development initiatives – continue to develop and support joint initiatives of quality for different staff groups and also share stories on how these initiatives help ensure colleges are relevant in our changing society.

2.5. It was noted that the presentation by Fiona Hutchison had included the findings from a different research report by CDN and The Diffley Partnership which was the *Workforce Survey Analysis Report* published in September 2022 and not the *Mixed Methods Research on the Perceptions, Strengths and Weaknesses of a College Education* report published in June 2022 and which had shared with board members.

- 2.6. Marie Henry reported that that a previous piece of research on the public perception undertaken by CDN following a Choose College Campaign sought views on what was stopping people going to college with findings reporting that the main driver was course choices and flexibility.
- 2.7. Marie Hendry advised that CDN will be shortly publishing a new Workforce Survey with the aim of identifying the future learning requirements of the Scottish college workforce.
- 2.8. Comments for further consideration from members on the research presented by Fiona Hutchison are noted below:
- Approximately **24 hours** on average is spent on training and learning – what proportion is this across the number of workers/contracted hours? If we benchmarked this average, are we over or under training? How much are we all spending on staff development?
 - 86% of all staff felt that they had the necessary **digital capabilities** to perform their required duties – was this functionality or content? Did the staff feel capable around the content? Are the students happy with the balance?
 - Stakeholder Research - only **two industry partners** participated. How robust are the views presented?
- 2.9. **Members agreed that there was a need to refresh the Communications and Public Affairs Plan to reflect the suggested improvements from The Diffley Partnership.**
- 2.10. WH invited board members to field further comments or queries on the research directly to JJ.
- 2.11. WH thanked Fiona Hutchison for her presentation and Marie Hendry for her contribution. Both left the meeting.
3. **Ratification of New Board Member**
- 3.1. WH ask members to ratify the board member appointment for DS who had been elected for the position through the College Principals' Group (CPG).
- 3.2. **The board ratified the appointment of DS.**
4. **Declaration of Interests**
- 4.1. No conflicts were declared by members of the board.
5. **Minute of Previous Meeting and Matters Arising**
- 5.1. Before addressing this item WH highlighted that she has received an item under Item 12 - Any Other Competent Business (AOCB).
- 5.2. 
- 5.3. JMc stated that she would support looking at saving costs for Colleges Scotland beyond the new lease period.

5.4. [REDACTED]

- 5.5. SS advised that she had been having ongoing discussions with CDN about where the organisations can join up and share resources further.
- 5.6. WH advised that the matter raised by DW on funding of the sector agencies will be discussed under Agenda Item 12 – AOCB.
- 5.7. The draft minute of the previous meeting outlined in Paper 5.1 was noted by members.
- 5.8. **The board approved the minute as an accurate account of the meeting.**
- 5.9. SS advised that all remaining actions not covered on the agenda were being progressed by the Senior Leadership Team in line with the timescales presented.
- 5.10. **The board noted that all actions marked as complete would be removed from the action log.**

6. **CEO Report**

- 6.1. The CEO report outlined in Paper 6.1 was noted by members.
- 6.2. SS advised that the work Jon Vincent and the policy team has been working with the Modern Apprenticeship Working Group to secure a provisional increase of 2% for 2023/24 funding rates for colleges from Construction Industry Training Board is a great example of work that is being driven forward across the sector for the benefit of the sector.
- 6.3. SS reported that JJ had been strengthening the sector comms and by engaging with media on a range of areas including college sector finances, Flexible Workforce Development Fund (FWDF), a number of Scottish Funding Council (SFC) reports, green skills as well as student satisfaction.
- 6.4. AL reported that being able to share the CEO Report with his own college board members has been well received.

7. **College Sector Finances Committee**

Scottish Government Draft Budget 2024-25

- 7.1. The update and analysis of the Scottish Government Draft Budget 2024/25 outlined in Paper 7.1 was noted by members.
- 7.2. AC advised members that following the announcement, there have been various discussions taking place with the Scottish Government and SFC as well as another meeting of the Tripartite Alignment Group.
- 7.3. AW advised that Colleges Scotland has been working with the CPG, College Chairs' Group (CCG) and College Sector Finances Committee to develop a core set of key actions and messages (outlined in Annex 2 of the paper) that can be used by the sector to influence Scottish Ministers, their officials, other political parties and stakeholders, as well as the public. AW sought agreement from the board on the key actions and messages.
- 7.4. JJ reported that the Scottish Government Budget for 2024/25 will be finalised in 3 weeks' time and then there will very limited opportunity to influence the budget top lines. JJ advised that as part of the key actions presented, they are proposing to issue an open

letter to members of the Scottish Parliament asking them to re-instate the £10m FWDF for the college sector and will look to include 100 signatories from colleges, employers, and stakeholders on the letter.

- 7.5. Comments for further consideration from members on the key actions and messages are noted below:
- We need a stronger sector voice, backed by evidence, use SFC's reports e.g. X number of colleges could face technical insolvency by 20XX.
 - Sector is accepting of change/reform (repurposing/structural) but need transitional flexibility.
 - Need greater collaboration to help fight the battle.
 - FWDF – we need a stronger sector voice which sets out the impact on employers – get support from MSPs, businesses.
 - Seek flexibility in delivering training for our employers not just through FWDF.
 - Need clarity from the Scottish Government what specific areas of funding are being cut.
 - Start preparing for next year's budget.
- 7.6. **The board agreed the key actions and messages outlined in Annex 2 subject to further updates to include the feedback provided from board members during the meeting.**

Scottish COVID-19 Inquiry – Colleges Scotland Initial Draft Submission

- 7.7. The Colleges Scotland draft submission to the Scottish COVID-19 Inquiry outlined in Paper 7.2 was noted by members.
- 7.8. AW reported that the initial draft submission had been circulated to all chairs and principals with a deadline for comments by Thursday 1 February 2024. AW advised that he would be looking for the Colleges Scotland board to approve the submission remotely ahead of a deadline for final submissions on Wednesday 21 February 2024.
- 7.9. **DW asked that the response includes that a fundamental issue for colleges was the delay from the Scottish Government in making decisions on crucial matters.**
- 7.10. **The board agreed to approve the final submission remotely ahead of the deadline.**

College Sector Reform to 2026

- 7.11. An overview of the membership of the newly formed Reform Work Groups as part of the Reform to 2026 plan outlined in Paper 7.3 was noted by members.
- 7.12. AW advised that each of the Work Groups have Colleges Scotland board members on them and regular updates on activity taking place will be provided to the sector.
- 7.13. **The board agreed that this area should remain as a standard item for future board meetings and regular updates be provided.**

Tripartite Alignment Group Update

- 7.14. Key messages from the last Tripartite Alignment Group meeting outlined in Paper 7.4 was noted by members.
- 7.15. AW commented that he was seeking views from board members on the topics for future activity with the group with a view to informing future engagement with Scottish Government and SFC.

- 7.16. AW advised that there would be an opportunity for a wider discussion on developments with this group during the all chairs' and principals' meeting with the Minister which is taking place on Tuesday 30 January 2024.

Committee Membership

- 7.17. AW asked the board to ratify the membership of the following individuals onto the committee:

- LC and DS as the new board members on the committee with an appointment of two years.
- Kenny McInnes, Principal and Chief Executive at Forth Valley College as the new non-executive member on the committee, self-nominated from within the CPG with an appointment of two years.
- Katharine Mathieson (Director of Enterprise and Business Innovation at Borders College) as the new chair of Business Development Directors' Network as an ex-officio co-opted member on the committee.

- 7.18. **The board ratified the membership of LC, DS, Kenny McInnes and Katharine Mathieson.**

8. Audit and Risk Assurance Committee

External Audit – Year End 31st July 2023

- 8.1. Paper 8.1 which presented the following documents was noted by members:

- **Draft Colleges Scotland Financial Statements - Year Ended 31st July 2023**
- **Reconciliation from Management Accounts to Statutory Accounts - Year Ended 31st July 2023**
- **Audit Summary and Findings Report**
- **Charities Technical Document**
- **Letter of Representation**

- 8.2. RS advised that it was the second year that Chiene + Tait had undertaken the external audit and arrangements continued to work well. RS reported that the Colleges Scotland staff had been left in a difficult position this year having to change financial suppliers from Forth Valley College to Dickson Middleton mid-year, but the committee had been satisfied with the outcome of end of year audit.

- 8.3. SS reported that Colleges Scotland staff had ended up having to respond to around 80% of the auditor queries due to an insufficient handover between Forth Valley College and Dickson Middleton.

- 8.4. SS advised that the auditors reported to the committee in December 2023 that they were happy to give an unqualified audit opinion on the financial statements and raised the following issues which are of ongoing relevance:

- Maintenance of Declarations of Interests – SS reported that the auditors recommended better maintenance of the register with a suggestion that this is reviewed on a quarterly basis. SS advised that FH will highlight this ahead of every board meeting and include a review date.
- Pension asset of £549k as per the actuary – SS reported that this was discussed with Executive Team and an adjustment was made to restrict the pension asset to £nil on the balance sheet.
- Treasury management recommendation that it should be considered how the cash reserves could be better invested to generate a higher return – SS reported that this remains outstanding from last year and will be addressed once we have adequate resource.

- Non payroll costs – SS reported that no reconciliation between the payroll reports and nominal was previously maintained by Forth Valley College however, the auditors receive a payroll reconciliation from Dickson Middleton and this practice will continue.
- 8.5. SS thanked RS and the Audit and Risk Committee members as well as the staff for their assistance in this year's external audit.
- 8.6. **The board approved the Draft Colleges Scotland Financial Statements for the Year Ended 31st July 2023 as they were presented.**
- 8.7. **The board approved the Audit Summary and Findings Report.**
- 8.8. **The board approved the Letter of Representation for signing by the chair of the board on behalf of the board of directors.**

Annual Governance Statement

- 8.9. The Governance Statement prepared by the Audit and Risk Assurance Committee outlined in Paper 8.2 was noted by members.
- 8.10. RS asked the board to agree the Governance Statement prior to it being published on the Colleges Scotland website.
- 8.11. **The board agreed the Governance Statement as presented.**

Risk and Regulatory Update

- 8.12. The Risk Register outlined in Paper 8.3 was noted by members.
- 8.13. SS advised that members of the Audit and Risk Assurance Committee had considered the updated risk register at its meeting in December 2023 and approved it being presented to the board for further consideration and agreement.
- 8.14. SS reported that there had been an increase to the following risks:
- **Risk 4:** *Failure to establish a working relationship with trade unions* – SS advised that this increase was due a recent change in trade union Regional Officer/Joint Secretary personnel for both UNISON and EIS FELA. These changes mean that there is a need to establish effective working relationships going forward with both unions.
 - **Risk 13:** *The transition to the new providers for finance and HR services does not go to plan.* SS advised that this increase was due to ongoing issues with the service being provided by Dickson Middleton. SS reported that she was going to be meeting with one of the other partners to discuss the issues further with the aim of resolving these so the service levels can resume to a satisfactory standard.
- 8.15. SS commented that the committee agreed that National Job Evaluation remains a significant risk for both the organisation and the sector and that **Risk 11:** *Failure to properly manage and implement the Job Evaluation Project Plan in accordance with the agreed budget and timeframe*) and **Risk 12:** *Failure to disperse Job Evaluation monies (approx. £60 million) and the money is not being retained by Scottish Government for this purpose* should be updated to reflect that there is currently not a project plan and budget in place, and that discussions continue between all parties to agree an appropriate way forward. SS also advised that the Job Evaluation monies were now back with the Scottish Government and there would need to be a further justification for its return to the sector.
- 8.16. SS reported that in relation to **Risk 2:** *Membership subscription uncertainty*, when chasing an outstanding payment of subscription invoices in mid-January, one member college had indicated that they had not yet made a decision to renew their Colleges

Scotland membership but had since agreed to pay it. SS advised that as part of the mitigations, she would like to share and discuss the current processes and procedures, including what is set out in the Articles of Association around company membership of Colleges Scotland with the Finance and General Purposes Committee.

- 8.17. The board agreed that for budget and planning purposes, specifically in relation to future member subscription levels, it was important that the board was aware in advance of any potential issues around subscription levels and/or Company Members intending to give notice to leave Colleges Scotland.
- 8.18. **The board agreed that SS would set out the current processes and procedures around company membership of Colleges Scotland, along with any suggested improvements, and discuss with the Finance and General Purposes Committee and then the full board as part of the schedule of meetings in March 2024.**
- 8.19. **The board agreed that the description for Risk 4: *Failure to establish a working relationship with trade unions* should be amended to make it clearer what this area relates to.**
- 8.20. **The board agreed the risk register following an update to the description of Risk 4.**

Committee Membership

- 8.21. FH asked the board to ratify the membership of the follow individuals on the Audit and Risk Assurance Committee.
 - JMc as the new board member on the committee with an appointment of two years.
 - Stuart Porteous, Non-Executive Director, Glasgow Clyde College as the new co-opted member on the committee with an appointment of two years
- 8.22. **The board ratified the membership of JMc and Stuart Porteous.**

9. Finance and General Purposes Committee

CS Management Accounts to 31st October 2023 and Q1 Forecast

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

9.2.



- 9.3. Board members suggested that the Executive Team considered not printing some of its publications such as Key Facts and instead keep this as an online publication to help save costs.

CES Management Accounts to 31st October 2023 and Q1 Forecast

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

- 9.5. GD advised that two main underspends within the CES budget were in Core Staffing (£2.5k) due to vacancies which have not yet been recruited and Professional Fees (£18.5k) due to planned negotiation training for new management side members not yet taking place yet.
- 9.6. Members sought clarity over whether the Executive Team was continuing to fill vacant posts. SS advised that the Executive Team were currently not looking at permanent resource but considering other more flexible options such as using consultants/temps to assist with the workloads.
- 9.7. AL commented that it was important that the CES team is properly resourced as had been agreed and that this resource is not depleted, as this would not be fair on the staff.
- 9.8. WH commented that over the last 12 months Colleges Scotland has seen a significant need to increase activity directly with the sector leaders which includes Cabinet Secretary and Ministerial engagement, and that this was likely to continue.
- 9.9. JMc commented that there might be a need to be a bit more forceful on how we get the sector to support Colleges Scotland and CES activity going forward. SS commented that both areas are already heavily reliant on the sector, especially principals, but are finding less and less support is being offered due the competing priorities of their own roles back at the college.
- 9.10. SS clarified that function of the CES team is not just to support the employers but to support the entire National Bargaining machinery.

Committee Membership

- 9.11. FH asked the board to ratify the membership of LO and DS on the Finance and General Purposes Committee.
- 9.12. **The board ratified the membership of LO and DS.**
- 9.13. FH advised the board that now the committee Terms of Reference had been reviewed and updated and new membership acquired, the next steps would be to appoint a new chair of the committee from within its membership.

10. Colleges Scotland Strategy

Strategy Trackers

- 10.1. The updated strategy tracker outlined in Paper 10.1 was noted by members.
- 10.2. AW advised that at its meeting on Tuesday 19 December 2023, the Finance and General Purposes Committee endorsed the new format but suggested some minor changes, all of which have been reflected in the version being presented.
- 10.3. The board agreed to consider further ways of articulating achievements and outcomes which are not always within Colleges Scotland's control such as the sector's Budget settlement from the Scottish Government.
- 10.4. **The board agreed the new format.**

11. College Employers Scotland (CES)

College Employers Scotland Assurance Reports

- **National Bargaining**

11.1. GD provided the board with a brief update on matters relating to National Bargaining.

11.2. GD advised that the CES Executive Group met on Wednesday 24 January 2024 and agreed no change to the management side's position that the current full and final three-year pay offer remains the same.

- **Job Evaluation**

11.3. GD provided the board with a brief update on matters relating to the Job Evaluation Project.

- **Ratification of Chair and Vice Chair**

11.4. GD advised that as per the Memorandum of Authority between the board and CES, and following endorsement by the wider CES in November 2023, he was seeking agreement from the board on the appointment of DW as the chair and Paul Little as the vice chair of CES. GD advised that these appointments would be for two years.

11.5. **The board ratified the appointment of DW as the chair of CES and Paul Little as vice chair.**

12. **Any Other Competent Business**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

13. **Date of Future Meetings**

13.1. WH advised that the board was scheduled to meet again 1000-1300 on Thursday 21 March 2024 but as there is no planned stakeholder engagement taking place at the next meeting, she was proposing to hold the board meeting 1000-1200 and the AGM 1200-1215.

13.2. **The board agreed the change in timing of the next board meeting and AGM.**

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

Action Monitoring Log

Actions from 15 June 2023 Meeting				
Action Ref	Action	Owner	Due Date	Status
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	
Actions from 26 October 2023 Meeting				
Action Ref	Action	Owner	Due Date	Status
261023 – 2.11	Andy Witty and Gordon Hunt to discuss in more detail the roles Colleges Scotland and College Development Network could play in supporting the ongoing campaigns in relation to the Fraser of Allander report (<i>Economic Contribution of Colleges in Scotland</i>).	SLT	Feb 24	
261023 – 2.12	Andy Witty to start discussions with SFC around what data is currently collected for the sector and what data could be collected, and how this can inform more research like the Fraser of Allander report (<i>Economic Contribution of Colleges in Scotland</i>) in the future.	SLT	Feb 24	
261023 – 5.3	A separate session to be arranged for a board development day during 2024 and an item will be included at a future meeting to discuss this further.	WH/FH	Mar 24	
261023 – 6.8	Jen Johnston to ensure that appropriate student representation and engagement takes place at the conference.	SLT	Mar 24	
261023 – 10.13	Jen Johnston to discuss with Nora Senior how best to make use of the communications and public affairs resources available.	SLT	Jan 24	
Actions from 25 January 2024 Meeting				
Action Ref	Action	Owner	Due Date	Status
250124 – 2.9	Refresh the Communications and Public Affairs Plan to reflect the suggested improvements from The Diffley Partnership as part of the Stakeholder research.	SLT	Mar 24	
250124 – 7.6	Sector's core set of key actions and messages to use to influence the Scottish Government's Draft Budget to be updated with feedback from the board.	SLT	Feb 24	
250124 – 7.10	The board to approve the final submission to the Scottish COVID-19 Inquiry remotely ahead of the deadline (Wednesday 21 February 2024)	Board Members	Feb 24	
250124 – 7.13	<i>College Sector Reform to 2026</i> to be a standard item for future board meetings and update provided.	SLT	Ongoing	
250124 – 8.18	Set out the current processes and procedures around company membership of Colleges Scotland, along with any suggested improvements, and discuss with the Finance and General Purposes Committee and then the full board as part of the schedule of meetings in March 2024.	SLT	Mar 24	
250124 – 8.19	Amend the description for Risk 4: Failure to establish a working relationship with trade unions to make it clearer what this area relates to.	SLT	Mar 24	
250124 – 13.2	Change the time of the next board meeting on Thursday 21 March 2024 to 1000-1200 and the AGM 1200-1215.	FH	March 24	