



## **BOARD OF MANAGEMENT**

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**Minute of the 10th meeting of the Board of Management held at 4.30pm on Thursday 10 September 2015 in Seminar Room 4, Cardonald Campus.**

### **Present**

George Chalmers (Chair)  
Claire Walker (Support Staff Member)  
Les Jacobs (Board Member)  
Richard Leggett (Board Member)  
Gordon Reid (Board Member)  
Aileen Ponton (Board Member)

### **In attendance**

Eleanor Harris	Depute/Vice Principal, Curriculum
Brian Hughes	Vice Principal, Strategy and Performance
Janet Thomson	Vice Principal, Resources
Niall McLean	Brodies LLP

### **Apologies**

Jim Hamilton (Vice Chair)  
Peter Laverie (Teaching Staff Member)  
Elaine Proudfoot (Board Member)

The Board Meeting commenced at 4.30pm on Thursday 10 September 2015.



[Redacted]

[Redacted]

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L Jacobs joined the Board meeting at 4.45 pm. N McLean confirmed that the Board was now quorate and could take decisions on business.

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**15.04 Approval of Minute of Extraordinary Board Meeting of 30 July 2015**

The Chair took the Board through the draft Board minute of 30 July 2015.

[REDACTED]

[REDACTED]

[REDACTED]

**The Board considered and unanimously approved the Board minute of 30 July 2015 subject to E Harris's suggested changes.**

[REDACTED]

[REDACTED]

[REDACTED]

E Harris provided the Board with an update on the Board Secretary role. Colleges Scotland and GCRB had been contacted seeking their assistance in securing an interim Board Secretary appointment. Thus far no one had been available to assist. E Harris had since asked Alan Sherry and Paul Little whether the Board could use their Board Secretary on an interim basis. E Harris considered that may provide a short term solution.

Jim Hamilton, E Harris and L McGaw had also shortlisted five possible candidates from the previous external advert for a new Secretary to the Board ensuring that they had the appropriate skill set to fill the role. They would be contacting those on the shortlist to see if they were still interested in the vacant post. E Harris noted that N McLean was fulfilling the Board Secretary role at this meeting and that either the Board Secretary of Kelvin College or City of

Glasgow College would take the minute of the next Board meeting if a Board Secretary had not yet been appointed.

R Leggett clarified whether the College were looking for a permanent appointment. E Harris confirmed that the College was. This had been agreed with the Chair and Vice Chair.

[REDACTED]

[REDACTED]

[REDACTED]

**The Board considered and unanimously agreed that the existing Board minutes and Committee minutes should be reviewed by the College and a set produced for publication based on confidentiality /redaction for approval by the Board.**

#### **15.05 Matters Arising – Action Grid**

J Thomson took the Board to the action grid that had been circulated and confirmed it was up to date.

#### **15.06 Updates from Committee Meetings**

[REDACTED]

R Leggett noted that the Audit Committee had reviewed the IT Network Security Audit Report Update and Action Plan. This followed on from a review into the

College's network security previously seen by the Audit Committee. The report had highlighted a number of areas of good practice in relation to the processes and systems in place to ensure the security of the College network. It also highlighted four medium level and two low level areas requiring improvement. The action plan summarised the recommendations and progress to date on implementing these.

R Leggett explained that the internal and external audit rolling action plan has been provided updated as at 18 August 2015. This comes before each Audit Committee and evolves as new actions are added to meet the recommendations of internal and external auditors. In the present action plan there were five recommendations, three of which were fully implemented and two partially implemented to an acceptable timescale. The action plan does not yet include the network security audit.

R Leggett noted that BDO had also presented three internal audit reports to the Audit Committee dealing with commercial activity, health & safety governance and a follow up review. The commercial activity report provides that there is a moderate level of assurance in terms of design and operational effectiveness. The report contains three medium priority recommendations and two low priority recommendations with management responses and timescales for the first four recommendations in the report. The College did not accept the fifth recommendation made by BDO and did not propose any action as it would involve releasing commercially sensitive data.

The health & safety governance report concluded that there is a moderate level of assurance in terms of design and operational effectiveness. It recommended one medium and six low priority recommendations to which management have given responses and timescales for implementation. The follow-up review looks at previous internal audit recommendations. This report indicated that of the 25 recommendations, 17 have been fully implemented, 3 partially implemented and five not yet due for implementation.

R Leggett noted that BDO also presented a progress report on the internal audit plan for 2014/2015.

Wylie & Bissett the external auditors had presented their external audit planning memorandum for the financial period to 31 July 2015. This highlighted the nature and scope of the audit work and their planned approach/timetable. They indicated certain areas of risk where misstatement in the accounts could be greater than usual. However, these were not particular to the College and deal with matters such as financial performance, over-ride of internal controls by management, errors in recognition of sources of revenue and the new Statement of Recommended Practice for periods commencing after 1 January 2015. R Leggett noted that the agreed fee for the 2015/2016 audit is £27,600 including VAT compared with £30,000 including VAT for the 2013/2014 audit.

Finally, R Leggett noted that the appointment of the current internal auditors BDO ceases with the conclusion of the audit plan to July 2015. The college is currently going through a tender process for a new internal auditor for 2015/2016 through the APUC framework. The appointment is for one year only.



J Thomson confirmed that Henderson Loggie had scored highest on a combination of price and quality and would be appointed as the college's internal auditor.

**The Board considered and unanimously approved the appointment of Henderson Loggie as the Board's internal auditors.**

A Ponton asked for an explanation for the phrase "moderate level of assurance". J Thomson explained that the auditor's use either "substantial", "moderate" or "limited" in their description. J Thomson noted that moderate was acceptable. The use of "limited" would be more of a concern.

E Harris noted that following the BDO report into procurement the SFC had asked for a management response. The EMT had worked with BDO to produce a "lessons learned" document which E Harris tabled at the meeting.

E Harris took the Board through the lessons learned grid explaining that the EMT had drafted the management's responses column. E Harris asked for any feedback and if the Board were content this document could now be provided to the SFC.

Minor adjustments were noted to the table. R Leggett suggested the addition of "and the Board" at the end of the second column on page 2. A Ponton suggested that the word "appointments" should be replaced by "expenditure" in column 4 of page 4. E Harris indicated that this could not be changed as this part was written by BDO not EMT. The Chair sought to clarify that the reference to Chair/ Secretary of the Board was not being made to suggest that the Chair /Secretary would be responsible for approving any expenditure. It was explained that the budget holder was the person responsible and that the specific budget holder should be identified. The Chair suggested that this was made clearer. E Harris agreed to re-word the column to make it clear that if expenditure was being incurred by the Board that it is clear at the outset who is the budget holder. J Thomson noted that this circumstance should not happen often. E Harris indicated she would circulate a revised document to R Leggett and the Chair prior to sending to the SFC.

R Leggett explained that the Audit Committee had also asked the external auditors for comment on the College's risk register. In particular, whether there are any steps the Board should be taking on the risk register with regard to the suspension of the Principal or otherwise.

J Thomson confirmed that Wylie & Bissett had provided a letter to the College which explained that they would not normally expect a separate entry in relation to the suspension of the Principal. J Thomson explained that this was captured at risk 15 in the risk register. Wylie & Bissett had confirmed that the College's approach to risk management was sufficiently robust.

J Thomson explained that BDO had also reviewed the risk register. They had noted that some of the mitigating actions were fairly static. Mitigating action plans would be prepared for the higher risks in the Register with scores above 16.

L Jacobs provided an update on behalf of the Finance and Resources Committee outlining that most of the items that he could provide by way of update were on the main agenda. L Jacobs explained that the headline point was that due to funding reductions the College was facing a potential deficit. The Committee had discussed cost reduction programmes and in particular how the College could address any deficit. L Jacobs explained that the Committee had also considered the estates work that was taking place at the moment and whether there could be any capital spend. J Thomson noted that she was going to speak to the financial forecast return on T Elliott's behalf. J Thomson would deal with that as the next agenda item. L Jacobs explained that the committee had also discussed any potential for increasing commercial income and opportunities for savings.

## **15.07 Financial Forecast Return 2014/15 to 2016/17**

J Thomson did not intend to take the Board through this document in detail but asked the Board to note the headline points in respect of capital/maintenance funding, tuition fee income, staff costs, and student support funding and risk management. J Thomson asked the Board for any questions.

L Jacobs asked whether the College had decided to build provision in for national bargaining and whether other colleges had done that. J Thomson explained that the College had not made specific provision for any pay award but it was clear that the College would not be able to afford the current proposal without further reductions in the budget. .

The Chair asked if the Board could use commercial income to meet any shortfall in its budget. E Harris indicated that commercial income was already supporting the College budget. The Chair raised the idea of using a wholly owned commercial company. J Thomson noted that this hadn't been considered however it may be that there would potentially be VAT implications in using a separate commercial company.

A Ponton asked whether the Scottish Government were looking at ways to support Colleges with national bargaining. J Thomson confirmed they were being asked to look at this and thought they were mainly reflecting on ONS reclassification and ways of using net depreciation cash. E Harris said that at a recent Principals meeting it had been suggested that the Scottish Government representatives were now appreciating the impact of ONS reclassification on the sector and that when taking their decision not to challenge reclassification had not fully realised the unintended consequences. A Ponton agreed and thought it was obvious with hindsight but that reclassification would be difficult for the sector.

E Harris noted that the university sector may be facing a similar issue but would look to challenge ONS reclassification.

B Hughes explained that in terms of a nationally bargained pay award a figure of 1% non-consolidated had been rejected by both the support staff and teaching unions. B Hughes noted that the financial risk for the College was over £300,000 in 2015/16. In addition, there would also be a significant increase in the employer contributions associated with this increase. B Hughes noted there was little information as to what a revised offer may be.

G Reid noted that the College can't keep trimming at the edges. The College needed to look at how it provided its service and whether shared services would help reduce costs. E Harris acknowledged this but that the bulk of the College's costs were staff costs. Shared services could reduce some costs but not to the level required to incorporate a potential 1% national pay award.

The Chair asked how far away we were from national terms and conditions. B Hughes thought it would be years. L Jacobs felt it was important that the College was able to understand clearly what the potential consequences were of wider national bargaining outcomes.

**The Board considered and unanimously approved the financial forecast return 2014/15 to 2016/17.**

#### **15.08 Board Committee Membership**

The Chair explained that it was clear that the Board needed to increase its numbers particularly now that K McKie had resigned as well as appoint new committee members.

C Walker explained that she was very keen to get involved in the Board Committees. However, she would like to review the paper in more detail to get information about each committee before joining any of them. The Chair thanked C Walker.

The Chair noted that the Board would soon be joined by two new student members. The Chair asked about plans to increase Broad membership more generally. B Hughes explained that the legislation required there to be between 13 to 18 Board members. The current membership of the Board was below the statutory minimum. However, the GCRB had confirmed that the Board can continue to operate whilst new members are sought. E Harris explained that the College was working with GCRB on the appointment process for Board members.

**The Board considered but no changes to the existing committee membership were made.**

#### **15.09 Glasgow Clyde Education Foundation Board Membership**

J Thomson explained that the Glasgow Clyde Education Foundation Board needed a new member to sit on the Board. The current nominees are the Chair and Vice Chair. The Chair confirmed that he was not able to continue but that the Vice Chair was. L Jacobs agreed to join the Foundation Board.

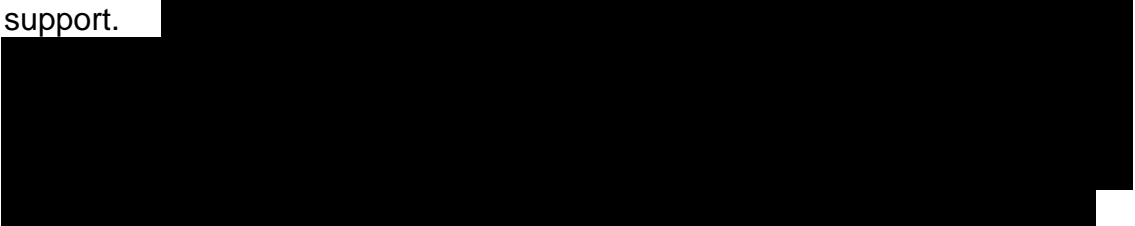
**The Board considered and unanimously approved that J Hamilton and L Jacobs would be the Board's nominees to sit on the Glasgow Clyde Education Foundation Board.**

#### **15.10 Chair's Report**

The Chair explained that he had met with the SFC to discuss at their suggestion the appointment of an interim principal. He had met with Alice Brown and Lawrence Howells. The SFC were recommending an external appointment from the Association of Colleges. The Chair considered that this had been offered to the College as help. The next step was to begin a formal interview process with the candidates. The Chair would meet potential candidates with E Proudfoot or J Hamilton.

R Leggett asked who would be covering the cost of the interim appointment. E Harris confirmed she had spoken to L Howells at the SFC and explained the College's budget position and sought funding support for this post. L Howells did not say yes or no to that request. E Harris had thought cover might be sought for a period of three months.

A Ponton could understand the need for an additional pair of hands and EMT should have support, she thought it was a case of getting the right balance in support.



G Reid explained that there was no timescale fixed for the Principal's disciplinary hearing and was concerned that the College would need funding to cover an interim Principal for more than three months.

B Hughes considered they ought to review on a regular basis to avoid it becoming an open ended process. He was also concerned there were a lot of "what ifs" about what may happen and they needed to be clear whether the intention of the SFC was to cover the costs for a period of x months, or as long as the current situation existed. The period of time they may need support for was very difficult to estimate. E Harris suggested if possible agreeing for a period of three months followed by regular review each month. The Chair agreed with this approach.

C Walker noted that in her experience it could be difficult bringing in people on a temporary basis. C Walker wondered whether a better solution was to bring an individual in on a consultancy basis to focus on key areas that the EMT needed support with. The Chair felt this was a good suggestion but that the SFC may not agree to a consultant.

E Harris stated that the EMT would want clarity on what any individual brought in on an interim basis would do. E Harris understood that the appointment was to allow B Hughes, E Harris and J Thomson to get on with their day-to-day jobs. The Chair explained that no criticism was being made of the College management. There was a recognition that the College was coping with everything being asked of it. However, this was the busiest period for the college and it was felt that there was a need to have more support at the senior level.

E Harris explained that there would also need to be a positive message to staff once an appointment was made. It should explain that the directors had picked

up a lot of work in the absence of the Principal and that an interim appointment was being made to support senior staff. E Harris felt the Board and College could create a collective message on the appointment.

R Leggett felt that the issue of timescales was difficult. The resumption of the disciplinary process was not in the Board's gift as the process was on hold [REDACTED] A Ponton agreed. R Leggett felt a three month period as the Chair had suggested would be good.

### **15.11 Board Self-Evaluation Results**

The Chair noted that he had been working through the Board evaluation forms. He needed administrative support to finalise them. E Harris confirmed that she would discuss resource with the Chair.

### **15.12 Depute Principal's Report**

E Harris explained she did not intend to go through the report in detail. E Harris identified the key headings in her paper and asked for any feedback from the Board. E Harris noted that there was a proposed Employer Dinner provisionally booked for the 19 November 2015 and the Board agreed to hold this event.

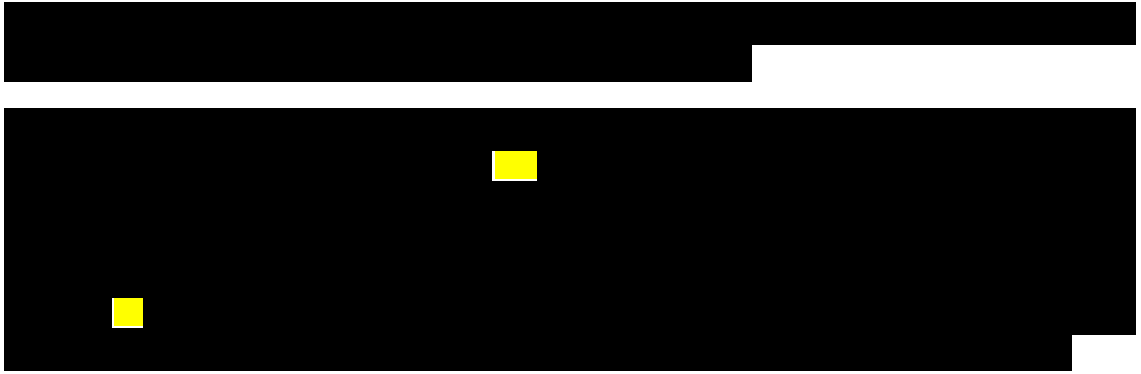
The Chair noted section 11 of the Depute Principal's report about MPs visiting the College and was keen to develop relationships with MPs. B Hughes explained that the MP who had visited thus far had left with a positive impression of the College. The Chair was keen that this was fed back to the Scottish Government. The Chair also noted that the new leader of Glasgow City Council could be invited to visit the college. The Chair was keen to hear about his Education Commission for Scotland and how the College could assist with that.

### **15.13 Articles of Governance of the Board of Management**

[REDACTED]

### **15.14 National Collective Bargaining**

[REDACTED]



R Leggett left the Board meeting at 7.25 pm.

**15.15 Voluntary Severance Scheme**

E Harris had submitted a paper on this issue and would be content to take any feedback from the Board should that be required.

**15.16 Credits Estimate 2015/16**

E Harris explained that the target credit volume was 128,000. E Harris noted that there were approximately 120,000 credits in the system at present with 10,000 still to start. This meant that there were approximately 130,000 credits in the system. With dropouts the College estimated it would be at or around the target number of 128,000.

**15.17 Risk Register**

J Thomson explained that this had been included for discussion. J Thomson noted that the risk register had already been discussed earlier in the meeting. J Thomson noted at risk 7 two existing risks had been merged. Risk 15 addressed key areas like the Principal's absence, the Board Secretary's absence. A footnote had been added in respect of the Principal's suspension.

**15.18 Regional Outcome Agreement**

E Harris referred the Board to the paper provided in support of this agenda item. E Harris noted that this related to a paper submitted at the meeting on 26 March 2015. The Board were reminded that the ROA is the mechanism through which funding levels for the Region are agreed and the College would be measured against the targets within it.

**15.19 – 15.24**

E Harris explained that these agenda items were all for noting and that papers had been provided for the Board to consider and she would be able to taken any questions.

G Reid asked for an update on the student association election. E Harris explained that there had been 20 expressions of interest in the posts. She expected this would lead to three candidates for President and five for Vice President. The Chair noted that this was a really positive development.

[Redacted]

[Redacted]

[Redacted]

**15.25 Equalities Impact Assessment on Decisions Made**

The Board considered the decisions made and that there were no equalities impacts as a result of any of these.

**15.27 Any Other Business**

[Redacted]

[Redacted]