

MINUTES

Minutes of the Board of Governors meeting held on Wednesday 20 December 2017 from 3.30pm in the Carnegie Conference Centre, Dunfermline.

Present: Stephen Magee (Chair), Edward Blades, Shona Cochrane, Hugh Hall (Principal), Carol Hunter, Violeta Ilendo, Tony Martin, Bryan Poole, Ross Taylor, Beki Thomson, Zoe Thomson, Jim Trail, Jen Walls, Heather Wray

Apologies: Jen Anderson, Bob Black, Steve Olivier

In Attendance: Tom Gorman, Dorothee Leslie, Susan Dunsmuir, Wendy Brymer, Marianne Philp (Director: Governance and Compliance)

1 **Welcome, Apologies and Declarations of Interests**

The Chair welcomed those present to the meeting. Carol Hunter was welcomed to her first meeting. Tom Gorman, Susan Dunsmuir and Wendy Brymer were also introduced to members.

2 **Minutes of the Previous Meeting: 27 September 2017**

The minutes of the previous meetings were approved as an accurate record.

3 **Matters Arising / Actions Outstanding**

The contents of the paper that had been circulated were noted.

4 **Annual Accounts 2016-17**

Stephen Reid, Ernst & Young, joined the meeting for this item. It was noted that this was the first year-end audit undertaken by Ernst & Young. It was confirmed that the audit had gone well with good co-operation from management.

The contents of the reports that had been circulated were noted. It was highlighted that these reports had been considered and discussed at the relevant Committees and had been recommended for approval to the Board of Governors. There were no audit issues outstanding and an unqualified opinion had been given.

4.1 **Fife College**

It was noted that the financial year end position for Fife College was a £3.1m deficit. There were a number of non-operational items impacting on this position, and these were detailed on page 16 of the Boardpack. If these impacts were removed, the financial year end position would be a £162k surplus. The Chair of the Finance, Commercial and Estates Committee confirmed that the Committee had requested that this be put into the notes to the accounts to explain the impact of accounting treatments

that were outwith the College's control. Overall the College had performed better than had been budgeted, but the pension adjustment (which was outwith the College's control) had significantly impacted on the position.

It was noted that many of the key risks identified were external and outwith the College's control. It was confirmed that the Executive Team regularly monitored all strategic risks in order to ensure they were effectively managed.

4.2 Carnegie Enterprise Limited

It was noted that Carnegie Enterprise had a breakeven position at the financial year-end. An unqualified audit opinion had been given. The Board of Directors of Carnegie Enterprise Ltd had already approved the accounts.

4.3 Audit and Risk Committee Annual Report to the Board

The contents of the paper that had been circulated were noted. Attention was drawn to the Annual Audit Report starting on page 97 of the Boardpack. The external auditors confirmed that the report summarised the key findings of the external audit. It was noted that the action plan on pages 124 and 125 of the Boardpack demonstrated the complex reporting structure within the FE sector.

4.4 Letter of Representation

The contents of the letter of representation were approved.

Decision: To approve the annual accounts for Fife College and Carnegie Enterprise Ltd for 2016-17 and the letter of representation.

Responsibility: Susan Dunsmuir/Marianne Philp

Deadline: 31 December 2017

5 Chair's Updates

The Chair gave updates as follows:

- PREVENT updates continued to be circulated when received. The threat of Right Wing Terrorism in particular remained. The threat level of terrorism had not changed.
- A letter of guidance had been received from the Scottish Government, which had confirmed that there was no longer a need to prioritise full-time courses for 16-19 year olds, which was welcomed in light of the planned curriculum changes required in Fife. The Scottish Government also wanted to place an emphasis on dynamic funding of places and on intensifying Regional Outcome Agreements.
- The reappointment process for Regional Chairs had not yet been confirmed. The Scottish Government was concerned there was not currently a gender balance within Regional Chairs and were looking at potential options to resolve this, in light of their commitment for all public boards to achieve a 50 : 50 gender balance by 2020. There were a number of reappointments due early March 2018.



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- The STIR magazine produced by SPS learners was circulated and members invited to “opt in” to the circulation list should they have an interest in receiving this publication.
- Funding for the new campus and National Bargaining continued to be problematic, but were largely outwith the College’s control.

6 Principal’s Update Report

The contents of the paper that had been circulated were outlined and noted. Main items discussed included:

- Enrolment targets had not yet been met, but an action plan is in place to ensure that they are met in year
- Recent discussions with various partners in relation to the West Fife Campus Development
- Updates on changes to the organisational structure
- Winning two prestigious awards at the recent College Development Network College Awards ceremony
- An update on National Bargaining
- Graduation Ceremonies which had received a wide range of positive feedback

Zoe Thomson declared an interest in relation to the West Fife Campus Development discussions and withdrew from the meeting for the remainder of this item. Members were advised of recent conversations and correspondence with the Scottish Government and Scottish Funding Council (SFC).

A decision was still awaited on capital funding and it was anticipated this would be given as part of the spending review.

The College had also been asked to explore the Hub procurement route. The Principal explained this model, and the concerns he had which were related to governance, control and timescales. He confirmed that the College had entered into discussions with Fife Council, SFC and the Scottish Futures Trust in an open and collaborative manner.

After a lengthy discussion, the Board concluded that the preferred model continued to be capital funding but that both options should continue to be explored until a decision about capital funding was given.

It was suggested that continuing to develop the business case and progressing with it to the next stage may increase the chances of capital funding.

The Principal was asked to continue to find ways to reduce the potential risks involved in the Hub procurement model, which would involve legally altering the governance model, and was also asked to look at alternative ways to engage in partnership discussions with Fife Council which may allow for another model to develop, eg sharing the site and agreeing how both parties could each procure new buildings in different ways. The Board also expressed a strong view that the College and School buildings should be separate, not shared. The Board also confirmed their view that a new campus in West Fife remained a key priority.



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Decision: To continue to explore both potential funding options, and explore innovative alternatives and associated risks.

Responsibility: Principal

Deadline: 28 March 2018

7 Draft Strategic Plan

Members were reminded that updates have been given at previous meetings outlining the strategic direction moving forward. The draft Strategic Plan was being presented to get initial comments and feedback, and would be discussed again at the Strategy Day in January 2018. It would then come to the Board meeting in March 2018 for approval and be implemented from August 2018. Consultation with staff, students and other stakeholders would take place from January 2018.

It was noted that three Strategies and the Regional Outcome Agreement would sit below the Strategic Plan to help with implementation of priorities.

Key Priority Indicators had been included on the final page, and Board members were asked to confirm if these seemed to be the correct things that they would wish to monitor. Members were also asked to look at the changes to the wording of the values, which now included “student centred”, “ambitious” and “enterprising”.

Members of the Board were supportive of the format and content of the draft Strategic Plan and thanked those involved for the work involved in drafting it. Some changes were suggested for consideration as follows:

- Make reference to the changing environment – culture as well as external factors – in the first few pages of the document
- Demonstrate that the College is flexible enough to meet the demands of change over a 5 year period – eg technology will change how we do things significantly in this period
- Clarify what the USP for Fife College is, what makes it different / attractive
- Add in housing need in Fife as an economic growth area for the College
- Should Hospitality be added, given the importance of this sector to eastern Fife / St Andrews, and possible job demand increases in this sector post-Brexit?
- Increase the emphasis at the front end of the document on commercial activity
- Include disability / supported learning
- “Transforming lives” may be a strong strapline for the College – easy to remember and identify with
- Add a KPI about securing employment as an additional positive destination
- Is staff absence levels a KPI or should it be monitored at a lower level?
- Should the KPI be able uptake of CPD, or quality of CPD (this may change as the organisation matures)?
- Clarify what is meant by improving student satisfaction surveys

It was noted that the Strategic Plan would be a living document, and it should be made clear during consultations that it is expected that the plan will be updated to reflect changes, and that this does not mean that it is wrong. The importance of explaining to staff the impact their role has on KPIs should also be made clear.



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Decision: To give consideration to the proposed changes, update the document for discussion at the Strategy Day, and present a final draft Strategic Plan for approval at the Board meeting in March 2018.

Responsibility: Wendy Brymer / Principal

Deadline: 28 March 2018

8 Curriculum Update

The contents of the paper that had been circulated were noted. It was noted that changes to the curriculum were being made in light of recruitment and that changes would be made to how we deliver digitally to give further efficiencies. Some improvements in student withdrawal rates had been made. It was agreed that working in partnership with schools and employers was key to ensuring that the College was seen as an attractive option.

9 Financial Update

It was highlighted that the Finance, Commercial and Estates Committee had reviewed the financial report in detail.

9.1 Management Accounts to 31 October 2017 (Period 3) and Financial Forecast 2017-18

The contents of the papers that had been circulated were noted. Attention was drawn to the financial forecast paper starting on page 179 of the Boardpack and it was noted that the reforecast was in line with the budget set. The Finance, Commercial and Estates Committee had expressed concern that at the end of the first quarter, targets had not been met and that there was no real plan to bring numbers back in line. A request had been made to add risks and opportunities into this paper. This had been done, but at this stage it was difficult to put numbers against each of the risks and opportunities, however updates on this would be presented at future Finance, Commercial and Estates committee meetings.

10 Governance Matters

10.1 Board Development Plan

The contents of the paper that had been circulated were noted.

10.2 Committee Calendar 2018-19

The contents of the paper that had been circulated were noted.

10.3 Update on Student Board Member

The contents of the paper that had been circulated were noted.

10.4 Update on Board Membership

A paper was tabled giving an update on recent interviews for the Board vacancy. Ministerial approval had been sought to appoint one member. The Chair's Committee had also recommended that 3 members be co-opted to Committees, and consideration



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could be given to these members joining the Board when suitable future vacancies arise. Members of the Board endorsed the decisions taken by the Chair's Committee.

11 Annual Reports from Committees

- 11.1 Health and Safety and Human Resources**
- 11.2 Finance, Commercial and Estates**
- 11.3 Chair's**
- 11.4 Carnegie Enterprise**
- 11.5 Adam Smith Foundation**

The contents of the papers that had been circulated were noted.

12 Update on Committee Business

- 12.1 Health and Safety and Human Resources**
- 12.2 Audit and Risk**
- 12.3 Joint Audit and Risk / Finance, Commercial and Estates**
- 12.4 Finance, Commercial and Estates**
- 12.5 Academic Quality**
- 12.6 Estates Project Board**
- 12.7 Chair's**
- 12.8 Carnegie Enterprise**

The contents of the minutes that had been circulated were noted.

13 Date of Next Meeting

Wednesday 28 March 2018 at 3.30pm, Carnegie Conference Centre, Dunfermline

The Board Strategy Day will be held on Wednesday 31 January 2018 from 9am in the Carnegie Conference Centre.