

**DRAF MINUTES OF EXTRAORDINARY BOARD OF MANAGEMENT MEETING
HELD ON TUESDAY, 6 AUGUST 2013**

1 SEDERUNT AND APOLOGIES

Present:	J Gray (Chair)	J Doyle
	C McCarthy	D Craig
	T Keenan	T Bradshaw
	K Coulter	R Wallace
	P Gilliver	J O'Hara
	J Grant	

Apologies:	P Docherty	Ralph Gunn
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Attending:	R Mullin	L Gunn
	E McIntyre (Minutes)	

2 DECLARATIONS OF INTEREST

Lorraine Gunn declared an interest in the discussions to follow on behalf of the College Senior Management team.

The Chair acknowledged this and asked that all matters discussed at the meeting remain strictly confidential.

3 INVITED INPUT: ROGER MULLIN – LEGISLATIVE IMPACT AND ONS

The Chair welcomed Roger Mullin to the Board meeting to discuss matters of legislative impact and ONS Reclassification.

The Chair advised members that progress had been made and that matters had moved on rapidly and significantly. There were the implications of ONS and legislation which gave us thought to move forward with getting together with the other Lanarkshire Colleges. He said that it would be extremely helpful if R Mullin would explain these matters and what the options are for Coatbridge and the situation post legislation.

R Mullin thanked the Chair for his warm welcome and spoke of the impact of legislation and provided a summary document for the Boards information. He said that it would be a matter for the Board to discuss if they choose to merger or not to merge; this decision is the Boards choice.

He explained that in a multi college region of 3 colleges, there would be a key strategic body. A Regional Strategic Body could be either:

- a) A regional board (currently envisaged in the Bill for Lanarkshire)
- b) A university (as envisaged in the Highlands and Islands); or

c) A college.

As things stand with the 3 colleges in Lanarkshire, it is inevitable that a Regional Board will be put in place with the possibility of Linda McTavish as the Regional Chair.

He explained that implications occur when we become an assigned College which means that a lot of the powers currently held will be passed to the Regional Board. This Regional Board will have to be funded from SFC funds for Lanarkshire. R Mullin took the Board through the document he had provided to the Board.

He informed members that he had met with the Principal and Chair some time ago where the Chair had made an observation which he had thought interesting; it is a reality to create a 3 college merger still operating under a College Board. This was discussed further as it was not under legislation to have a Regional Board. Not wanting to prejudice decisions he said he had raised the matter with other officials but not the Cabinet Secretary.

He said it was possible to have a Regional Strategic Body in Lanarkshire and that he understood there would be a political dimension to this to which officials agreed. He said that if we did not merge there would be a Regional Board, but if we merged, we could have one very large college claiming over 75% of Lanarkshire comprising of Coatbridge, Cumbernauld & Motherwell Colleges i.e. New College Lanarkshire.

R Mullin suggested to the Board that if they wanted to merge there could be a potential meeting next week to consider this and to advise the Cabinet Secretary of the option that the new large College is the new Regional Body with the added benefits of saving money and simplifying planning. As for South Lanarkshire College, the situation is that they will be an assigned College regardless of the Regional Board or College and that their powers would remain unaltered at this time. However, this did open up discussions to review the circumstances regardless of the Strategic Body as this will be up for consultation. The opportunity to comment on decisions in the context of change would come through joining the merger as ultimately we have no option to remain as we are as legislation will take over in due course.

R Mullin discussed ONS changes with the Board. He advised that doing nothing may compromise reserves and commercial income. The Scottish Government want to overcome the problem of Colleges losing incentives to raise additional/commercial income. He advised that it looked like a trust will be formed, set up at regional level with one trust per region. He said that in our region it would lie with New College Lanarkshire as they would hold 75-80% of the Region.

A secondary issue is the transitional arrangements for Boards which he envisaged would take place over a couple of years to allow for the creation of new Boards.

The Chair thanked R Mullin for his update and was pleased that his casual remark had caused deep thinking. R Mullin said that his remark had been raised by the SFC for consideration.

The Chair invited questions:

R Wallace asked about the Regional Strategic Body being a College i.e. New College Lanarkshire. Was it the case that all responsibility for overseeing South Lanarkshire College's funding would be undertaken by the New Board.

T Keenan asked if there would not in fact be a political challenge that South Lanarkshire College would report to the Strategic Regional College Board and that he thought this unlikely to happen.

R Mullin said that this decision would have to be reviewed and that there was a consequence that money would leave Lanarkshire to support the Regional Board. He said that we have been the only College in Scotland that has asked for this level of detail of legislation going forward.

J Doyle said that the College keep informed on a daily basis of the information provided on legislation.

R Mullin agreed that the Cabinet Secretary would not want to do something that alienated South Lanarkshire College who will become an assigned College and that their powers would be the same as the Regional Board or College at this moment. The political dimension will be on reporting to a College and not a Board. He said that the Government intends to implement the Bill in stages with changes to the Board happening next year.

The Chair said that the answer for South Lanarkshire is that they will report to a College or a Board regardless.

R Mullin said that he detects that from the 3 colleges there would not be any resistance to South Lanarkshire College joining the merger.

J Grant said that she may be mistakenly under the impression that some choices have been taken away from the College such as timescales.

R Mullin said that there would be a timeline for consideration which through this process would provide the advantage of being involved in and able to influence the new structures from the outset. He said if not,

then the power is no longer in our hands when the new Regional Strategic Body is formed and legislation is enforced by April 2014.

To clarify, he said the option available to Coatbridge is: Do we choose to merge now or do we choose to leave it until later.

P Gilliver asked if it was being suggested that each Region form a charitable trust compliance for OSCAR in relation to ONS? He said he didn't understand how economies of scale support this and hoped that Edinburgh can find a solution to this issue.

J Doyle advised that D Banks had attended an ONS information day specifically for Finance Directors and had reported back the details of the proposed changes. He said that there were many discussions going on regarding ONS with the new reporting commencing on 1 April 2014.

R Mullin said that there were many economists working to lighted the burden and maximise opportunities for Colleges. There followed more discussion on ONS to which all members were satisfied.

The Chair thanked R Mullin for his valued input to the meeting. R Mullin left the meeting.

4 REGIONALISATION DISCUSSION

J Doyle asked the Board to now formally engage in a discussion regarding Regionalisation. He said that if the Board decide today to merger we would have the opportunity to be involved in the new structure for Lanarkshire. The Curriculum Portfolio was likely to take 2 years to establish ensuring any gaps were identified and further opportunities explored to add curriculum areas such as hospitality, engineering etc.

He said that the Principal of South Lanarkshire College has indicated that his College does not want to join the merger at this moment, therefore it is up to this Committee to decide on the best way forward for this College and that the decision must remain here and strictly confidential for the moment.

T Keenan said that he would like to hear the views of the staff and student representatives.

R Wallace said that he felt an element of déjà vu in the discussions today and the talks of merger. He felt that staff were under no illusions that it was not a level playing field previously but a takeover situation and not a merger of equals. As staff representative he said that he could not speak for all staff but personally he was happy to take the College forward. He said he believed staff felt confused and fearful of

the way forward. He felt that staff thought no genuine consultation has taken place and that there was no improvement to staff representation on the new Board. He said that at this time he didn't know how to vote.

J Doyle said that the Scottish Government will not allow the details of this merger not to be checked and that the Regional Lead has already met with both Cumbernauld and Motherwell College Boards and had a favourable response to Coatbridge joining.

J Doyle asked for the Merger Agreement document to be distributed to the Board members for their information.

The Chair felt this was now a good document and that letters had been prepared to be exchanged. A copy of the draft letter was distributed as was a copy of an email response from Cumbernauld & Motherwell Colleges. It was explained that the Clerk to the Board would normally distribute these documents in advance of the meeting but on this occasion it was felt appropriate to distribute them at the meeting.

The Board were given time to read the documents distributed.

The Chair advised members to take the opportunity to get to know Martin McGuire better and to build relationships with him and that in the fullness of time Board members would have the opportunity to apply to join the new Regional Board.

T Bradshaw asked what status the Merger Agreement Document would have with the work streams already underway.

J Doyle advised that some staff were already on federation work streams working with Cumbernauld and Motherwell colleges. He advised that areas such as Quality would have a common standard throughout the Colleges, where as the Finance work stream will be very much influenced by legislation and ONS.

T Bradshaw said that he felt it was essential to have parity of esteem and equal opportunity going forward.

The Chair advised that the Partnership Board run on an equal basis as determined by the Scottish Government and SFC.

J Grant said that if we looked at the process of merger where does that leave the Principal, John Doyle.

J Doyle replied that the Boards of Cumbernauld and Motherwell have appointed Martin McGuire as Principal Designate. He said that he would have wished to have been given the opportunity to manage the

merged Colleges but that was not to be. He said that if we want to be part of the new College the Board would have to agree to the new Principal Designate.

J Grant said that support staff would want to know where they will be working in the future. She said that she feels we have been thrown a life line to get involved in shaping and influencing decisions and that she fully supports that we should get involved and understands that as a support manager her position would be at risk.

J Doyle said that he had discussed with M McGuire the fact that support services across the Colleges operate differently and that harmonisation would be likely to take place over a period of years.

J O'Hara said that he was all for merger but a fair merger process. He said that he had been working over the summer with the other Student Presidents on a plan for Regionalisation of the Student Associations and does see a future for students in Lanarkshire. J O'Hara said he would be happy to progress with the merger.

C McCarthy said that she agreed with all the sentiments said by her fellow Board members and that she felt now was the time to take the opportunity to progress with the merger which she felt had failed before due to leadership and culture.

P Gilliver said that our duties still remain under our existing remit to this College. He said that his thoughts were with progressing with the merger.

The Chair said that the Scottish Government and SFC are more aware of the circumstances of this merger and that R Mullin was supporting the College and that he feels very strongly to move forward. The structure from 1 April 2014 will be agreed by 1 November 2013 and implemented in April 2014. He said that the Agreement would be closely monitored by the SFC and Scottish Government.

J Doyle asked that the Potential Timeline document be distributed. This document provided details of key events from the Vesting Day of 1 April 2014 to present.

The Chair asked the Board if they wished to discuss the matter further in order to cast a vote.

T Keenan said that he agreed with all that had been said and that a PR response/statement should be worked on. He said it may be possible for R Mullin to provide guidance on the wording of this statement to assist in explaining why the Board had reconsidered the merger.

J Doyle said that R Mullin would write a statement on Coatbridge's decision on merging which would include legislation and ONS reclassification as a driver to the decision and recognition that a change of heart was made by the Board on the rationale of equality and fairness which now exists.

The Chair confirmed that R Mullin would also draft a statement for staff to be released on Wednesday 14 August 2013, following the College Families Day and to ensure a timed statement was released to all staff across the three Colleges.

The Chair asked the Board to vote on joining the merger of Colleges with Cumbernauld and Motherwell which received a unanimous decision.

J Doyle presented the Board with a draft copy of the proposed Voluntary Severance Scheme. He explained that the original scheme emanated from the first College Merger in Edinburgh. He advised that the Lanarkshire Federation were discussing adopting a similar scheme as a Federation Model and that whilst South Lanarkshire College Board had formally adopted the Model, historically Motherwell and Cumbernauld Colleges had used a variety of schemes. The Federation Committee had asked each Board of Management to discuss.

The Chair said that we have the ability to keep people and inevitably lose people but the process gives staff the opportunity to apply.

T Keenan asked if it would be capped at 21 months pay and to what extent would any of this be paid by the SFC.

J Doyle advised that the SFC would pick up the first 12 months costs and believed that the SFC would not pay the strain on the fund thereby the College would potentially be responsible for this element. It was agreed that the VS documents would be revised to be more explicit regarding the non payment of additional years, to be clearer with regards to the pension benefits for staff and to include a specific example illustrating an individual where a strain on the fund applied. It was also agreed that the process would be overseen by the Human Resources Committee who would report onwards to the Audit Committee and full Board.

T Keenan said that the external audit would pick up on all details of the scheme to which J Doyle confirmed he would make this explicit.

C McCarthy asked if it would be a coordinated approach with the other 2 Colleges to ensure that the right people were retained for the future.

J Doyle advised that he had already met with M McGuire to assure him that the College will continue to support the development of a new overall structure for New College Lanarkshire. He said that the SFC, Regional Lead, R Mullin and M McGuire know that CMAC jobs will be at risk and that it will be up to the new Regional Board to fill the new management structure.

L Gunn said that the agreement gives staff an indication to a possible termination date.

The Chair said that the College would be required to provide accounts on VS to the Finance & Audit Committees which would follow in due course.

J Doyle said that he would now call formal meetings with trade unions to discuss the VS scheme given the inclusion of these further clarifications.

J Doyle presented the Board with copies of the pay claims made by the trade unions EIS & UNISON. He requested that the College maintain the differential and that we had a duty to staff to consider their claims and asked for the Boards permission to put forward a 2% pay increase to maintain the differentials. He said that the figures were still being worked on regarding the overall cost and impact on the College.

The Chair said that if the College acted in any other way that we would look to being flagrant with funds before merger. He then asked the Board members if they were in agreement for the Principal to pursue pay claim talks with trade union representatives. The Board agreed that these meetings should go ahead.

J Doyle presented a response paper requested by the SFC on the HMle Report of 2012 seeking approval to release the document. The Chair said that he was confident that the Board would be very pleased with the College response as it was all very positive. Members were advised that any comments on the response should be directed to L Gunn prior to the document being presented to the SFC.

J Doyle informed members that the Key Activities 2013-2014 document was now available for members for their information.

The Chair concluded the meeting by reminding Board members that the matters discussed should remain confidential and thanked all members for their valued input.