

Stirling Campus, S1.19 10am (refreshments available from 9.30am)

AGENDA

	Type	Lead
1 Apologies and Declarations of interest	Discussion	Chair
2 Minutes and Matters Arising of Meeting of 10 August 2017	Approval	Chair
3 Minutes of Committee Meetings		
Strategic Development Committee - 16 November 2017	Discussion	Anne Mearns
HR (Inc. Nomination) Committee - 21 November 2017	Discussion	Beth Hamilton
Audit Committee - 23 November 2017	Discussion	Lorna Dougal
Finance Committee - 23 November 2017	Discussion	Liam McCabe

STRATEGIC PLAN IMPLEMENTATION

4 New Falkirk Campus Stakeholder Event - Verbal	Discussion	Pauline Barnaby/ Lyndsay Condie
5 People Strategy	Approval	Andrew Lawson

OPERATIONAL OVERSIGHT

6 Principal's Report (Elements of this paper are withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)	Discussion	Ken Thomson
7 Annual Report and Financial Statements	Approval	Alison Stewart
8 External Auditor Annual Report and Letter of Representation	Approval	Alison Stewart
9 Group Life Assurance Cover	Approval	Andrew Lawson
10 Student Association Activity September to December 2017 (Elements of this paper are withheld from publication on the Forth Valley College website under Section 38 Personal Information of the Freedom of Information (Scotland) Act 2002.)	Discussion	Alan Buchan
11 Operational Plan 2017/18	Approval	Ken Thomson
12 Review of Risk	Discussion	All
13 Any other competent business	Discussion	All

FOR INFORMATION

Complaints Overview 2016/17

(Elements of this paper are withheld from publication on the Forth Valley College website under Section 38 Personal Information of the Freedom of Information (Scotland) Act 2002.)

Fundraising Strategy

(This paper is withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)

DATES OF FUTURE MEETINGS

22 March 2018

21 June 2018

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Room S1.19, Stirling Campus (commencing at 1.30pm)

Present: Mr Ross Martin (Chair)
Dr Ken Thomson
Mr Alan Buchan
Mrs Fiona Campbell
Mrs Lorna Dougall
Ms Beth Hamilton
Mr Scott Harrison
Mrs Caryn Jack
Mr Liam McCabe
Mr Ken Richardson
Mr Steven Torrie (Co-Opted Member)

Apologies: Mrs Anne Mearns (Vice Chair)
Mr Colin Alexander
Mr Andrew Carver
Mrs Trudi Craggs
Mrs Pamela Duncan
Mr Davie Flynn
Ms Amy Scobbie
Mr Steven Tolson

In Attendance: Mrs Alison Stewart, Associate Principal and Executive Director Finance and Board Secretary
Mrs Fiona Brown, Associate Principal and Executive Director Learning and Quality for item B/17/010 only
Mr Stephen Jarvie, Corporate Governance and Planning Officer and Deputy Board Secretary

B/17/007 Declarations of Interest

None

B/17/008 Apologies.

Apologies are noted above

B/17/009 Minute of Board of Management Meeting of 10 August 2017

The Minute of the meeting of 10 August 2017 was accepted as an accurate record.

The Chair asked the Principal to provide a brief update on development with the Falkirk campus since the last meeting of the Board of Management.

The Principal informed members that John Swinney, Deputy First Minister, had written to the Chair of the Scottish Funding Council (SFC) to confirm funding of £65m

toward the project. He highlighted that this was less than was requested in the DP4 but that the College had already engaged with SFC on this issue and that they had agreed to underwrite the sale of the existing Falkirk campus. The financial projections for the project have also been revised and agreed with SFC.

The Principal reported that the contractor had commenced works on site.

The Chair noted that this development was a cornerstone of future developments across the Falkirk area and was being heavily referred to in development proposals.

B/17/010 College Evaluative Report and Enhancement Plan 2016-17

The Associate Principal and Executive Director Learning and Quality presented members with the College Evaluative Report and Enhancement Plan 2016-17 for discussion and approval.

She outlined the rationale for the new report, noting that this was a new requirement from Education Scotland and SFC for Colleges to undertake an annual review in place of the previous 4 year Education Scotland full review.

She reported that, as this is the first year of this new system, the College had been heavily engaged with Karen Corbett, the College's Education Scotland liaison, to ensure the draft document both met the necessary requirements and provided a true reflection of the activity of the College.

She outlined the feedback received on the draft plan which had been considered at the recent Strategic Development Committee and the changes resulting from members input.

She confirmed that the College was required to submit this document by 31 October 2017 and that this would be followed up by a formal endorsement meeting with Education Scotland in November. Owing to the amount of effort placed into preparing the plan and the constant feedback with Karen Corbett, it was not anticipated that there would be any major changes requested.

Members commended the Associate Principal and Executive Director Learning and Quality and her team for the amount of work that had gone into preparing the plan.

Members welcomed the comprehensive overview of College activity provided by the plan.

a) Members approved the submission of College Evaluative Report and Enhancement Plan 2016-17

B/17/011 Review of Risk

Risks were identified during the course of the meeting.

B/17/012 Any Other Competent Business

None

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S1.19, Stirling Campus (commencing at 4.30pm)

Present: Mrs Anne Mearns (Chair)
Mr Alan Buchan, Student Association President
Mr Davie Flynn
Mr Scott Harrison
Ms Amy Scobbie, Student Association
Mrs Fiona Campbell
Mr Andrew Carver
Mrs Lorna Dougall
Mr Steven Torrie (Co-opted Member)

Apologies: Mrs Caryn Jack
Mr Liam McCabe

In Attendance: Dr Ken Thomson, Principal
Mr David Allison, Vice Principal Information Systems and Communications
Mr Zak Stark, Commercial Manager (For item xxx only)
Mr Stephen Jarvie, Corporate Governance and Planning Officer

S/17/012 Declarations of Interest

None.

S/17/013 Minutes of meeting held on 4 October 2017

The Minute of the meeting of 4 October 2017 was accepted as an accurate record.

S/17/014 Matters arising

a) S/17/004 Operational Plan 2017-18

The Corporate Governance and Planning Officer updated members on progress with updating the Operational Plan 2017-18 and confirmed that this would be brought to the next meeting of the Board of Management for approval.

b) S/17/005 Safeguarding Our Learning Community

The Student Association Vice President informed members that a meeting has been arranged with the Principal to discuss the student stress report produced by the Student Association and that she would feedback once this had occurred.

c) S/17/008 Student Association Activity

The Student Association President updated members on progress with elections for members of the Student Executive. He highlighted that a number of key positions had not received candidates and that it was intended to hold a by-election for these posts in January to coincide with the Re-Fresher's Fayre.

d) S/17/009 Student Activity Paper

The Chair noted members had raised queries regarding FE recruitment levels at the previous meeting and informed members that further information would be provided under item 8 on the agenda.

S/17/015 Flexible Workforce Development Fund

The Commercial Manager presented a paper outlining College activity under the new Flexible Workforce Development Fund. He provided a background on the fund, which was created as a result of the Apprenticeship Levy and summarised College engagement to date with employers in Forth Valley who may be able to access up to £10k each to support staff training.

He highlighted that this activity, with the College contacting over 700 employers, had already produced value as it is a mechanism by which the College is able to engage with existing and new employers.

Members queried whether there was competition with other Colleges, particularly for organisations with locations throughout Scotland. The Commercial Manager noted that this had not been an issue to date.

The Commercial Manager highlighted that applications for the fund had to be submitted by 15 December and that his team was engaging well with interested employers.

Members queried what the criteria for training eligible employees was. The Commercial Manager noted that the training had to be certificated (either by the College or an Awarding Body), must be completed by June 2018 and that the training cannot be used to train company employees in an area where the Company had a legal duty of compliance.

Members queried whether the College was confident that it could fully utilise the allocation provided by SFC for this training. The Commercial Manager was unable to commit to full utilisation at this stage in the process but did note that he felt the College would be close to full utilisation.

The Principal also noted that there were discussions at a national level on the deployment of the first year of the funding, with representations back to SFC on potential changes that could assist. As such, he felt that it was possible there could be

changes to either timescales or the amount of funding that can be offered to individual companies.

Members noted that, should this funding continue beyond the current year, it would be a good topic for the College engagement dinner where Board members can also engage with potential employers.

a) Members noted the content of the report

b) Members noted that they would like to see an update on the headline data for this funding at the next couple of meetings. Members also noted that the report should also cover the opportunity cost of this activity as it was drawing staff resource away from other commercial activity.

S/17/016

Student Association Activity

The Student Association President provided members with an update on the activity of the Student Association.

He highlighted that there had been good engagement with students, with 179 class reps trained, and good progress against the Student Association Operational Plan.

He also highlighted the ongoing work on Mental Health First Aid training. The Vice President noted that, by the end of February 2018, she anticipates that 250 individuals will have completed this training.

The Student Association President provided further information on the current election process and provided an explanation of the Liberation officer posts within the Student Executive.

He also informed members of Life Skills workshops for students being developed in conjunction with Police Scotland and other organisations such as the Army and Fire Brigade. The purpose of the workshops is to provide life skills to 15-18 year olds.

Members queried whether there was a partnership agreement in place between the Student Association and the College. The Student Association President confirmed that there was one in place but that it was a good time to update this agreement with a view to having a new one in place for the start of the next academic session starting.

a) Members noted the content of the report and commended the Student Association on the level of activity undertaken to date

b) Members requested that the revised partnership agreement be brought to a future meeting.

S/17/017 Outcome Agreement Revised Guidelines & Target Setting

The Vice Principal Information Systems and Communications presented members with the revised guidelines for Outcome Agreements, highlighting the most significant change which is the move away from focussing activity on full time courses for 16-24 year olds. He also highlighted the requirement for “intensification” in College Outcome Agreements, noting that under this the College will be required to make targets more focussed, ambitious and also able to demonstrate best use of public funding.

The Principal confirmed that the need for intensification was at the direction of Scottish Ministers. He noted that this could be a positive for the College as those that can demonstrate progress may receive additional/redirected funding to support this.

The Vice Principal Information Systems and Communications confirmed that SFC will continue to set the sector target levels and these will then be allocated to individual Colleges.

Members queried how best to demonstrate that College students progress to positive destinations and what these destinations might be. The Principal noted that a report on how the College collects positive destination information to the next meeting of the Committee to support discussions.

- a) Members noted the report and requested an update to the next meeting
- b) Members requested the targets in the Outcome Agreement be reviewed to support this report

S/17/018 Student Application Profile & Credits Report

The Vice Principal Information Systems and Communications presented members with an update on application levels and progress against the College Credits allocation.

He reported that there had been a reduction in overall applications and that plans were in place to address this, particularly in relation to January starts. He confirmed that these challenges had been experienced in previous years and that the College remained confident that it would reach the credits target.

Members noted that, given this confidence in achieving the target, the risk likelihood of Medium recorded in the paper may be too high. It was agreed that the likelihood would be reduced to Low.

- a) Members noted the content of the report

S/17/019 Review of Risk

No new risks were identified.

S/17/020 **Any Other Competent Business**

None

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Room S1.19, Stirling Campus (commencing at 4.30pm)

Present: Mrs Beth Hamilton (Chair)
Mrs Fiona Campbell
Mr Davie Flynn
Mrs Anne Mearns
Mr Steven Torrie (Co-opted member)

Apologies: Mr Steven Tolson

In Attendance: Mr Andrew Lawson, Depute Principal and Chief Operating Officer
Mr Ralph Burns, Head of Human Resources
Ms Claire Shiels, Assistant Director for Estates Development (For Item H/17/015)
Mr Stephen Jarvie, Corporate Governance and Planning Officer

H/17/011 Declarations of Interest

None

H/17/012 Minutes of meeting held on 5 September 2017

The Minute of the meeting of 5 September 2017 was accepted as an accurate record, subject to a minor amendment to the attendance listed.

H/17/013 Matters arising

a) H/17/006 Staff Development – August 2017

The Depute Principal and Chief Operating Officer noted that members had requested that the winners of the “Dragons Den” competition at the Creative Learning conference come a future meeting of the Board of Management to present their ideas. He confirmed that their ideas were still under development and would be brought to a future meeting of the Board of Management.

The Depute Principal and Chief Operating Officer also noted that members had provided feedback on the level of detail and presentation of papers, with concerns that the reports were too operationally focussed. He confirmed that the format of the reports had been updated and would be presented to members for feedback on what level of detail is appropriate.

H/17/014 Complaints Overview 2016/17

The Corporate Governance and Planning Officer presented the annual report on complaints received by the College Executive Office in 2016/17. He highlighted that there were no significant trends identified within the complaints received

Members welcomed the continuing decrease in the number of complaints and also noted that the summary information on the complaints received gave a good flavour of the culture in place within the College for dealing with complaints.

- a) Members noted the content of the report

H/17/015 Health and Safety Update

The Assistant Director for Estates Development presented the Health and Safety update in its new 'newsletter' format.

She went through the report with members to ascertain which information members considered to be the most relevant.

Members noted that the full version of the report as presented may be useful as part of the induction to new members of the Board as it provides a comprehensive overview of Health and Safety and Sustainability within the College.

Members queried the information presented on induction training. Following review it was noted that there was some erroneous data contained in this part of the report. Some individuals listed as new start staff not having completed inductions training were not actually involved in student conduct e.g. new members of the Board of Management. As such, listing these members as not having completed their induction training was erroneous and skewed the statistics presented. Members agreed that this information should be reviewed and an updated copy of the paper prepared and circulated to members. The updated version would also be the one published on the College website.

Following further consideration of the report content, members requested that information be summarised at a high level with detailed exception reporting only when it is necessary. The revised report should be brought to the Committee twice per year.

- a) Members noted the content of the report

H/17/016 Staffing Establishment Update

The Head of Human Resources also presented members with a revised report format and sought feedback on the content of the report covering the College staffing establishment.

Members welcomed the refreshed look of the paper and the value of the executive summary. They noted that College staffing had remained very stable for a number of years and, as with the Health and Safety report, recommended a reporting format which covers the highlight figures, with deeper reporting by exception.

- a) members noted the content of the report

H/17/017 GTCS Pilot Scheme and Verification

The Depute Principal and Chief Operating Officer presented a paper on a recent pilot run between the College and the General Teaching Council of Scotland. He reported that this pilot enabled lecturing staff to become registered with GTCS and that, following the pilot, the GTCS had verified the College to continue with this activity.

He highlighted that, during the pilot, the College had paid the GTCS registration fees but that, going forward, if lecturers wished to register they would need to pay the fee themselves.

Members queried whether registration was compulsory to progress beyond TQFE status. The Depute Principal and Chief Operating Officer confirmed that this was not the case and that the option of registering and completing additional training was being offered as a CPD opportunity for lecturing staff.

- a) Members noted the content of the paper

H/17/018 National Bargaining

The Depute Principal and Chief Operating Officer provided members with an update on the current status of National Bargaining for the College sector. He highlighted that the changes agreed to date did not have a major impact on the College terms and conditions and highlighted that he was also now a member of the Management Side negotiating team.

- a) Members noted the content of the report

H/17/019 Review of Risk

Various risks were considered but none were amended

H/17/020 Any Other Competent Business

The Depute Principal and Chief Operating Officer notified members that a paper on the Death In Service contractual benefit would be taken to the next meeting of the Board of Management for consideration.

Boardroom, Falkirk Campus (commencing at 5.00pm)

Present: Mrs Lorna Dougall (Chair)
Mr Colin Alexander
Mrs Trudi Craggs

In Attendance: Mrs Alison Stewart, Vice Principal Finance and Corporate Affairs
Mr David Allison, Vice Principal Information Systems and Communications
Mr Stephen Jarvie, Corporate Governance and Planning Officer
Mr Gary Devlin, Scott Moncrieff
Mr Keith McPherson, Ernst & Young
Mr Stephen Reid, Ernst & Young
Dr Ken Thomson (13 to 19)
Mr Ross Martin (13 to 20)

A/17/013 and A/17/014 were considered jointly with members of the Finance Committee

A/17/013 Annual Report and Financial Statements 2016/17 (Joint Item with Finance Committee)

The Chair welcomed the members of the Audit Committee and the Internal and External Auditors who joined the meeting at this point.

The Vice Principal Finance and Corporate Affairs presented the Annual Report and Financial Statement 2016/17 for approval. She highlighted that, owing to the technical accounting treatments the College is required to apply, the performance summary within the document provides the clearest picture as to the current state of the College's financial position, with an underlying operating surplus of £738k.

She also discussed the treatment of the £2m donation from Kelvin College which formed part of the SFC commitment to the new Falkirk campus. Members noted their thanks to the Vice Principal Finance and Corporate Affairs and the whole Finance team.

a) Members endorsed the Annual Report and Financial Statements 2016/17 to the Board of Management for approval

A/17/014 Draft External Audit Annual Report to the Board of Management (Joint Item with Finance Committee)

Mr Stephen Reid, Ernst & Young, presented the Draft External Audit Annual report to members. He confirmed that this is in draft until such time as the financial statements receive Board of Management approval.

He outlined the work carried out by the External Auditors, noted that there had been good cooperation in this work from College staff and confirmed that the report

showed a clear position with no adjustments to bring to the attention of Committee members.

He noted the donation from Kelvin College and commended on the early engagement from the College with the External Auditors in how to manage this donation.

The Principal stated that the donation had created a significant amount of work and that he would be feeding this back to SFC.

The Chair noted that the manner in which this money was provided to the College via the donation was unusual but that, notwithstanding the administrative challenges it presented, it was to be welcomed.

The Chair thanked Mr Reid and colleagues from the Ernst and Young audit team for a smooth process which was reflected in the auditor's report.

a) Members approved the Draft External Auditor Annual Report to the Board of Management

A/17/015 Declarations of Interest

None

A/17/016 Apologies for Absence

Mrs Beth Hamilton

A/17/017 Minute of Meeting of 14 September 2017

The Minute of 14 September 2017 was approved as accurate.

A/17/018 Matters Arising

a) A/17/005 External Audit Plan 2017/18

Members had raised a point regarding inconsistencies in the levels of materiality stated in the plan. Mr Keith McPherson confirmed that these had been amended to ensure they matched throughout the document.

b) A/17/009 Risk Management

The Chair noted that members had recommended splitting the risk register into internally controlled and externally controlled risks.

The Vice Principal Finance and Corporate Affairs reported that, as the Board was looking at risk overall, it had been decided not to amend the risk register until all changes are known.

A/17/019 Risk Management

The Principal presented the Strategic Risk Register for member's consideration. He highlighted that a number of risks were being recommended for removal and outlined the reasons for each of them.

Members noted that one risk was being removed as SFC had agreed to underwrite the costs of the new building should there be a delay to the sale of the existing site if necessary. They enquired whether this agreement had been received in writing. The Principal confirmed this formed part of the offer of grant for the new Falkirk campus.

Members noted the content of the report

A/17/020 Internal Audit Plan 2017/18

Mr Gary Devlin, Scott Moncrieff, presented members with the draft internal audit plan for 2017/18, which is based on the previously approved 3-year overarching internal audit plan.

He outlined changes which had been made to reflect current priorities, highlighting the addition of an internal audit review of the College's preparedness for the implementation of the General Data Protection Regulations (GDPR) which come into force in May 2018.

Members discussed the timings for the GDPR audit and agreed that this activity should be split into two parts, with the first part commenting on the College plans for GDPR and the second coming at a later date to ascertain the effectiveness of the College's implementation of these plans.

It was agreed that the College would also consider the timing of the next Audit Committee meeting to ensure the initial report can be presented to members, and recommendations from the Committee taken forward, prior to the May implementation date for GDPR.

- a) Members agreed that the plan should be revised following discussions between Scott Moncrieff and the College on dates for the GDPR work
- b) Members agreed an updated version of the plan should be circulated to members for approval via email

A/17/021 Preparing for GDPR

The Vice Principal Information Systems and Communications presented a paper to members on the impact of GDPR on the College. He reported on a number of key aspects of the legislation which would apply to the College and provided an overview of the work conducted to date by the College GDPR working group.

Members noted that the report mentioned a preparatory “12 steps” document prepared by the Information Commissioner’s Office and asked that this be circulated via email for information.

a) Members noted the content of the report

A/17/022 Presentation of Internal Audit Reports

Mr Gary Devlin presented the internal audit report on the annual review of Credits within the College. He informed members that there had been no issues identified as part of this audit.

a) Members noted the content of the audit report

A/17/023 Internal Audit Annual Report 2016/17

Mr Gary Devlin presented the annual report on internal audit activity for 2016/17. He noted that the audits that had been undertaken had gone well and that there was reasonable assurance that the College is performing well.

a) Members noted the content of the report

A/17/024 Progress Report on Audit Recommendations

The Corporate Governance and Planning Officer presented an update on progress against audit recommendations within the College. He highlighted those recommendations which had been completed since the last meeting of the committee and those recommendations where the College was seeking an extension to the anticipated completion date.

a) Members noted the content of the report and the extensions to audit completion dates requested

A/17/025 Risk Management Next Steps

The Vice Principal Finance and Corporate Affairs presented the cover paper, noting that this was a summation of the recent risk management session conducted by the Board of Management and asked Committee members for their recommendations as to the next steps to take in refreshing the College Risk Management processes and approach.

Following discussion it was agreed that –

- Owing to the timescales of Committee meetings, this should be initially developed outside of Committee meetings
- The Committee, led by the Chair, would look at developing a framework of key risk areas based on the 6 strategic themes of the College Strategic Plan

and also taking into consideration key Board responsibilities as identified by the Colleges Development Network.

- The framework would be shared electronically between members prior to the next meeting of the Committee, which the College would seek to bring forward
- The Members would agree at this meeting what input they sought from the full Board of Management
- Following the next Audit Committee, material would be circulated to the full Board of Management to obtain their views about what the top three risks are. This would then be the basis of a risk management workshop at the March 2018 Board of Management meeting

a) Members noted the content of the report

A/17/026 Review of Risk

No new risks identified

A/17/027 Any Other Competent Business

The Chair noted that the Audit Committee should meet once per annum with the Internal and External Auditors without College staff in attendance. It was agreed that this meeting would now take place.

College staff exited the meeting.

This was the first time that the Audit Committee had met privately with the Internal and External Auditors and this would now be an annual feature.

The Internal Auditor opened discussion, reporting that the College had very good leadership. There was a strong senior management team and his team had not experienced any difficulties gaining cooperation from staff at all levels due to the ethos of cooperation and transparency which was led top down. The External Auditor echoed these views and noted that their first impressions of the College and the management of the College were positive.

Areas which the Audit Committee may wish to keep a watching brief on in the future were:

1. Changes to the staff in Finance – how would this be managed and how could this potentially impact the current strong financial management practices?
2. The very large Falkirk Estates project would occupy a good deal of management time and energy and other areas would need to be maintained at their current high levels of performance.
3. Succession planning for the Senior Management Team should be explored to ensure that such planning was in place.

When asked what the College could do better, both the Internal and External Auditors felt that the management and governance of the College was effective and they had nothing to add at this point.

The chair thanked everyone for their input to the discussion which had been very helpful. Both Auditors and Committee members noted that, should there be any concerns identified, they would be raised when noted and would not be left until the next available meeting.

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Boardroom, Falkirk Campus (commencing at 4.00pm)

Present: Mr Liam McCabe (Chair)
Mr Andrew Carver
Ms Trudi Craggs
Mrs Pamela Duncan
Mrs Caryn Jack
Mr Ken Richardson

Apologies: None

In Attendance: Mr Ross Martin, Chair of the Board of Management
Dr Ken Thomson, Principal
Mrs Alison Stewart, Vice Principal Finance and Corporate Affairs
Mr Andrew Lawson, Depute Principal and Chief Operating Officer
Mr Paul Johnstone, Procurement Manager
Mrs Jennifer Tempany, Head of Business Development
Mrs Irene Andrew, Head of Finance
Miss Loiuise Burnett, Finance Manager
Mr Stephen Jarvie, Corporate Governance and Planning Officer
Mr Gary Devlin, Scott Moncrieff (For items F/17/20 and 21 only)
Mr Keith McPherson, Ernst & Young (For items F/17/20 and 21 only)
Mr Stephen Reid, Ernst & Young (For items F/17/20 and 21 only)

F/17/011 Declarations of Interest

The Chair declared an interest owing to the links between the College and University of Stirling in relation to certain degree level courses and under the Scottish Funding Council (SFC) HEI funded activity.

F/17/012 Minutes of meetings of 12 September 2017

The minutes of the meeting held on 12 September 2017 were approved.

F/17/013 Matters Arising

a) F/16/036 Budget 2017/18

The Vice Principal Finance and Corporate Affairs updated members that Barclays had added a conditions precedent schedule to the legal documentation which the College has queried as these were already satisfied at the time of the facility was put in place. If required by Barclays this updated document may need to be brought to the Board in December for approval. She confirmed however that there was agreement in substance between the parties as to the new covenants .

b) F/17/006 Resource Return 2016/17

The Vice Principal Finance and Corporate Affairs noted that the Chair of the Board of Management had asked for a briefing on Arm's Length Foundations. She confirmed that this would be provided to him.

c) F/17/008 Forecast Outturn 2016/17

Members had raised queries at the last meeting in relation to Modern Apprenticeship funding. The Vice Principal Finance and Corporate Affairs noted that this would be covered under the Business Development paper.

The Chair of the Board of Management raised the issue of Student Association funding and what opportunities they have for income generation and commercial sponsorship. The Finance Manager provided an overview of Student Association funding streams, both current and historical. The Vice Principal Finance and Corporate Affairs noted that the College also provides some funding to the Student Association to assist with running costs.

F/17/014

Procurement Review

The Procurement Manager provided members with an update on the implementation of the College Procurement Strategy which is a requirement of the Scottish Government's Procurement Reform Act. He noted that, as part of this, an annual report would also need to be provided by the College at the end of the current financial year as a statutory requirement.

He reported that the past year had been particularly busy for the College procurement team, with the re-tendering of the College Facilities Management contract and the tendering for the construction of the new Falkirk campus development.

He highlighted that there were good progress against KPIs with the College moving in the right direction from a procurement perspective. He highlighted the increased use of contracting frameworks and also an increase of utilisation of local SMEs to provide College services.

He also highlighted the level of activity that was not contracted or procured from agreed frameworks and confirmed that moving to a framework basis where possible would be a key focus of procurement in the current year. This will be done in conjunction with Heads of Department to generate further value for money in College procurement.

He reported that, under the new Facilities Management contract, the College had ensured that all staff and contracted staff were receiving the living wage.

a) Members noted the content of the report and commended the team for the positive progress made to date.

F/17/015 Business Development Activity

The Head of Business Development provided a report outlining the activities of the Business Development department. She focussed specifically on international and commercial activity which continue to prove to be challenging.

She gave members a review of the background of these two areas and outlined the specific challenges that are being faced by the College.

Members noted the intention to refresh and refocus the International Strategy and queried when this work would be completed. The Head of Business Development confirmed that it was intended to have a draft prepared by the end of the year and that this would then be brought back to the March 2018 meeting of the Finance Committee for consideration.

Members welcomed the review and requested that this include a cost/benefit review of potential activity.

The Chair of the Board of Management noted that the Enterprise and Skills Review was looking at international activity and had highlighted fragmentation across the sector.

The Head of Business Development confirmed that there was fragmentation but also noted the amount of collaborative international activity that is undertaken by the College with both other College's and Universities. In addition s She noted that there was also a role for College's Scotland to play in fostering collaboration across the sector.

a) Memebrs noted the content of the report

F/17/016 Student Funding Outturn for 2016-2017 and Forecast for 2017-18

The Finance Manager presented a paper on Student Funding activity. She highlighted that there was an underspend in relation to the 2016/17 activity and provided detail on the various student funding streams which contributed to this.

Members noted that the underspend in 2016/17 had been as a result of variances in the number of students expected under the different funding strands and queried whether the College felt they would be able to use the full allocation for 2017/18.

The Finance Manager reported that the performance in 2016/17 had been used to inform projections for spend in the current financial year and that it was anticipated there would be an element of the allocation received by the College for 2017/18 which would be relinquished back to SFC for redistribution.

Members asked about childcare provision and how the College ensures the quality of provision. The Finance Manager outlined the mechanism for childcare provision in the College.

a) Members noted the content of the report

F/17/017 Budget Monitoring - 2017/18 Qtr 1 (Oct 2017)

The Head of Finance presented a paper outlining the budget as at Quarter 1 of the current financial year. She noted that the surplus is currently lower than anticipated but this was mainly due to phasing and associated timing differences which would be addressed for the Q2 report.

She highlighted areas of concern within the paper and outlined the reasons for this.

Members queried the outturn being projected for the year. The Head of Finance noted that it would be best to wait for the Q2 report to be compiled to get a more accurate feel for this.

a) Members noted the content of the report

F/17/018 Review of Risk

No new risks were identified

F/17/019 Any Other Competent Business

None

F/17/020 Annual Report and Financial Statements 2016/17 (Joint Item with Audit Committee)

The Chair welcomed the members of the Audit Committee and the Internal and External Auditors who joined the meeting at this point.

The Vice Principal Finance and Corporate Affairs presented the Annual Report and Financial Statement 2016/17 for approval. She highlighted that, owing to the technical accounting treatments the College is required to apply, the performance summary within the document provides the clearest picture as to the current state of the College's financial position, with an underlying operating surplus of £738k.

She also discussed the treatment of the £2m donation from Kelvin College which formed part of the SFC commitment to the new Falkirk campus. Members noted their thanks to the Vice Principal Finance and Corporate Affairs and the whole Finance team.

a) Members endorsed the Annual Report and Financial Statements 2016/17 to the Board of Management for approval

F/17/021 Draft External Audit Annual Report to the Board of Management (Joint Item with Audit Committee)

Mr Stephen Reid, Ernst & Young, presented the Draft External Audit Annual report to members. He confirmed that this is in draft until such time as the financial statements receive Board of Management approval.

He outlined the work carried out by the External Auditors, noted that there had been good cooperation in this work from College staff and confirmed that the report showed a clear position with no adjustments to bring to the attention of Committee members.

He noted the donation from Kelvin College and commended on the early engagement from the College with the External Auditors in how to manage this donation.

The Principal stated that the donation had created a significant amount of work and that he would be feeding this back to SFC.

The Chair noted that the manner in which this money was provided to the College via the donation was unusual but that, notwithstanding the administrative challenges it presented, it was to be welcomed.

The Chair thanked Mr Reid and colleagues from the Ernst and Young audit team for a smooth process which was reflected in the auditor's report.

a) Members approved the Draft External Auditor Annual Report to the Board of Management

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1. Purpose

To seek approval from members on the People Strategy and the proposed implementation plan.

2. Recommendation

That members approve the People Strategy and agree for the immediate roll out of the implementation plan.

3. Background

The College has a proud tradition of recognising the contribution its staff makes towards the successful achievement of College objectives, the enhancement of its reputation and the creation of a positive culture of openness, creativity and collaboration.

This contribution is channelled through many key processes that starts with PRDs but also includes; an open-door policy; regular team meetings and one-to-ones; union consultation meetings; staff placements on key committees and projects; the Cultural Survey; a commitment to CPD for all staff, including TQFE and PDAs; the Creative Learning Conference. There are also clear progression opportunities communicated through the successful operation of our recruitment policy and processes, Job Evaluation system, role profiles and department structures, and internal promotions and secondments.

For the College to maintain and grow its reputation as the college of choice, and to meet the challenges of the future, the next step is to formalise the approach we take with our most valuable resources, our people.

Our People Strategy 2017-22 aims to support our future growth and is an ambitious, positive action towards making a successful future for the College. At the heart of the College's mission of 'Making Learning Work' is the fundamental understanding that this will be achieved through our people. Our People Strategy articulates our commitment to not only our mission statement but to our values as a responsible employer, dedicated to bringing our people on-board as an equal partner, recognised as having valued skills necessary to contribute to the College's ongoing success.

4. Key Benefits

Our People Strategy focuses on supporting the delivery of the College's Strategic Plan and 2022 vision. We will achieve this through the robust planning of activities, where our progress and success can be evaluated and measured.

The People Strategy allows for the utilisation of our current processes. However, rather than having individualised processes, the formalisation of a strategic approach creates synergy. This will maximise resource allocation, and minimise the risk of repetition.

A formalised approach provides an opportunity to review practices, to develop areas for improvement, and to incorporate flexibility and adaptability into our practices to take advantage of learning experiences and to account for external influences.

Credibility, reputation and talent are interlinked. Whether it is employers, investors, learners, or any interested party; the qualities, knowledge and behaviours of our staff are fundamental to how the College is perceived. The People Strategy recognises this and aims to ensure stakeholder expectations are met by matching development to college objectives, to promoting college values and enhancing college culture. This is achieved through the creation of individualised professional development plans and structured development activities.

The dynamics of our workforce are changing and staff expect more, not simply in monetary terms but in personal growth, intellectual respect and greater contribution to shape the direction of the college. The People Strategy meets these needs through a consultative approach, career development opportunities and engagement. A new initiative, 'Listening to Employees' is one step in this process.

The People Strategy clearly defines target areas of activity which will benefit both the College and its staff, both in their individual area of focus and as a collective. These areas include:

- Leadership development, ensuring current leaders feel supported and confident in meeting the expectations of their roles
- The development of staff with high potential to take up business critical roles and leadership positions, reducing 'points of failure' due to loss of key staff
- The development of the individual as part of a flexible, multi-skilled workforce
- To enhance engagement through robust, transparent processes, consultation and improved understanding of decision making, and through personalised development

5. Implementation

The implementation of the People Strategy involves the following stages:

5.1 Data collection: An analysis of where we are now including a review of our establishment, structure, recruitment data, and role profiles. In addition, a review of current processes including the PRD process, CPD allocation and internal recruitment. Feedback from staff, from the cultural survey, unions, Heads groups and key committees as well as within the wider sector.

5.2 Consultation and definition: Key to success will be aligning efforts while meeting the needs of the College. This will be led by SMT who, within their respective areas, can instil a management culture that leads by example. The sections to define will include:

Professional Development: Incorporating excellence with aspirations and utilising the success of the objective setting process i.e. Strategy - Operational Plan - Department Plan – PRD, an evolution of the PRD should encompass the following:

- Performance review
- Development priorities
- Set SMART objectives in line with operational plan
- Career aspirations
- Create Individualised training and development plan
- Follow up with regular one to one discussions

This provides an opportunity for staff involvement in the development of this area through consultation and input into the progression of the PRD and into staff development needs.

Leadership Development: Given the dynamic changes and environmental pressures predicted for the College, the ongoing need to develop current leaders to ensure their skills and behaviours are relevant and in line with our goals requires more than ad-hoc leadership courses and role specific development requests. The definition of what it is to be a successful leader is required, including skills, behaviours, attributes and competencies. This creates a ‘Success Profile’ from which individual development needs and group training programmes will follow.

High Potential Development: Creation of a talent pipeline to meet future needs. This requires:

- Data analysis and agreement on business-critical posts. Part of this will be an understanding of historical recruitment and may not be limited to managerial positions
- Utilisation of the “Success Profile” associated with leadership within the College
- A method of identifying ‘potentials’ (this may include a selection panel)
- Transparency through inclusion of key stakeholders in devising selection methods

It is envisaged that the methods of high potential development will include a tailored programme to train, equip, and supply potentials with real world experiences through conducting a personal assessment and matching against the success profile:

- Stretch and short term special assignments
 - Cross functional opportunities
 - Coaching and mentoring
 - Presentations
 - Leadership roles within internal working groups and committees
 - External representation
 - Active exposure to senior managers
 - Evaluation, monitoring and improvement
-

5.3 Budget: Following data collection and consultation resulting in clarity over where we are now and where we wish to be, initial budgeting will allow for the development of the next phase. Allocation of budget should not be simplified into narrow categories such as 'CPD' or 'Further Study' but should allow flexibility to meet the needs of the individual. However, it is recognised that certain commitments will overlap the Strategy, such as the provision of TQFE.

5.4 Enable managers to manage talent: Success of the People Strategy relies on a number of factors including commitment from senior managers, planned implementation, budget and also on the skills of managers to execute the building blocks of the plan. Managers need to be supported in the early stages of the implementation process and equipped with the tools needed to progress the plan successfully. This includes:

- An ability to interpret role profiles
- Understanding of competencies, their meaning and relevance
- To conduct effective PRD meetings
- To appropriately review performance and address concerns
- To set relevant SMART objectives
- To recognise, support and then release talent – objectively

360 feedback on opportunities to improve the PRD experience will ensure a more robust process, improve engagement and create transparency.

5.5 Run Programmes and review: Each section of the plan will be subject to continual review. The review process will include an evaluation of the processes used within each section of the plan, the movement made towards goal achievement, updated statistical data, and any proposed adjustments based on findings. In a dynamic environment, a similarly dynamic approach to the People Strategy is required as is first hand input from all levels of staff involved.

5.6 Equalities Impact Risk Assessment: Each part of the process will be risk assessed to ensure the implementation of the People Strategy reflects the key principles of equality and diversity and in line with our Equalities Policy.

6. Challenges

Fundamental to the success of the People Strategy is a commitment from senior managers to its goals and to the agreed implementation processes. Behaviour is contagious and none more so than the lead shown by managers. Commitment to performance reviews and supporting development of direct reports, with an expectation for the same to be cascaded down, will highlight the importance attached to the People Strategy and show a commitment to its ideals.

Senior managers will play a key role in the People Strategy. Undoubtedly resistance to change from the introduction of new methods of staff assessment and development will require careful consideration. High levels of support and positive reinforcement from senior managers will be

required. However, transparency and open dialogue of the strategy's aims - as well as input from relevant parties will improve trust and with it, commitment.

The implementation process described in point 5 includes staff participation not simply because of their valuable input to the creation of the plan, but to support engagement. Staff have been clear in the findings of the Cultural Survey that communication and participation are high on their agenda. The creation of 'Listening to Employees' offers an opportunity to include staff in the decision-making processes of the College and the opportunities through the introduction of the strategy enhances that aim.

The introduction of a formalised People Strategy may heighten staff expectations. This may include expectations of funding for qualifications, increased time for training, or guarantees of promotion. Ensuring managers have the skills to evaluate development needs and that the development options are clear and fair will reduce unrealistic expectations. With regards to promotion opportunities, the avoidance of the term 'succession planning' which has connotations of pre-decided outcomes, and instead the use of 'high potential development' as an alternative is a simple adjustment, as well as having a fair and transparent selection process.

The introduction of a People Strategy will bring with it concerns over budget. It is through careful analysis, review of progress and justification on the returns on investment that such concerns can be minimised. The People Strategy is one designed to add value to the College by developing its key asset.

7. Financial Implications

The formalisation of development processes within the College is designed to create efficiency as well as improve effectiveness. This will include detailed data analysis on the result of the strategy which in turn will offer improved information on which to make investment decisions. The flexibility of the proposed implementation plan allows for control over expenditure and the creation of personal development plans reduces the risk of ad-hoc, unplanned expenses.

8. Equalities

Assessment in Place? – No

The Strategy impacts on all staff equally. Each section of the proposed implementation plan will be risk assessed to ensure it meets the standards required.

9. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		x
Medium		
Low	x	
Very Low		

In undertaking the strategy, a key risk relates to perceived or actual lack of fairness in the processes surrounding the allocation of training and the selection of high potentials. Robust processes, consultation, transparency, as well as training for those involved will mitigate such risk. Regular review and analysis of data will provide the necessary information on which to base findings on and to take corrective action if needed.

Risk Owner – Ralph Burns

Action Owner – Andrew Lawson

10. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – yes supporting comms plan will be required

Health and Safety – No

Please provide a summary of these implications – N/A

Paper Author – Ralph Burns

SMT Owner – Andrew Lawson

Implementation plan for the People Strategy 2017-22

The People Strategy is a commitment by the College to the principle that success is met through the efforts of our people. Who will 'Drive our Momentum'; 'Shape our Future'; and 'Deliver a World Class Service' if it is not our People. The People Strategy will be achieved by:

- Promoting an agile workforce, embracing innovation, facilitation, mentoring and peer support
- Developing future leaders ensuring effective succession planning
- Engaging staff in the future direction of the College and providing opportunities for professional development and collaborative opportunities
- Delivering the benefits of a digital environment through capacity building and CPD that embraces emerging technologies and practices
- Fully integrating equality and diversity in everything we do
- Ensuring every member of staff has the opportunity to contribute to the direction of the College
- Celebrating the success of our staff and students

The successful introduction of the People Strategy 2017-22 commences with the undertaking and completion of year 1 objectives. Success for the strategy will be to embed the principles of the strategy into everyday planning and decision making. The work done in the first year will set the bedrock for what follows and has been approached from a systematic perspective commencing with data gathering, process development and prioritisation. The objectives allow flexibility in their approach and have transparency, collaboration and communication at their core.

In practical terms actions will take the form of the following:

- Leadership development,
 - ensuring current leaders feel supported and confident in meeting the expectations of their roles
 - have the skills to support and develop their teams regarding their group and individual needs and aspirations
 - focus efforts on meeting strategic aims
- The development of staff with high potential to take up business critical roles and leadership positions, reducing risk and enhancing career progression through succession planning
- The development of the individual as part of a flexible, multi-skilled workforce
 - Future ready skills development
 - Development supportive of career aspirations and college needs
 - Understanding, communicating and collaborating with colleagues to shape the future

Whilst adhering to and promoting the following commitment:

- To enhance engagement through robust, transparent processes, consultation and improved understanding of decision making, and through personalised development

No	Target	Target Measures and Evidence	Responsible Person	Start Date	End date
1	Undertake workforce planning review	<p>Data to be collected and analysed to include:</p> <ul style="list-style-type: none"> Demographics Recruitment trends Internal Promotions and Secondments Staff Turnover including exit interviews Utilise data from communications streams <p>Review current processes:</p> <ul style="list-style-type: none"> • PRD • Recruitment & Selection • CPD activity • Staff Development Events • Mandatory Training • TQFE • Role Profiles <p>Prepare and develop key areas related to:</p> <ul style="list-style-type: none"> • PRD completion and quality requirements • Internal Progression • Cultural Survey findings relating to opportunities and inclusive practices • Vacancies <p>Output: Data collected to be presented in format to provide support for decision making process on plan implementation and as a comparison for future reviews</p>	Head of HR	08 Dec 17	30 Mar 17

No	Target	Target Measures and Evidence	Responsible Person	Start Date	End date
2 a	<p>Short Life Working Group reviewing and defining:</p> <p>Personal Development Priorities</p>	<p>SMT participation supported by HRBM</p> <p>Key opportunity for consultative inclusion of all levels of staff</p> <p>Remit:</p> <p>Agree process and focus for PRD's</p> <p>Management skills required in relation to objective setting and training needs identification and support</p> <p>Provide suggestions on training opportunities and development needs for staff with improved focus on informal learning, coaching, experiential learning in line with developing competences</p> <p>Output: Findings and recommendations specific to remit to be presented to AP HR</p>	Head of HR	08 Dec 17	30 Mar 18
2 b	Leadership and Development Priorities	<p>Remit:</p> <p>Creation of a Success Profile highlighting skills, behaviours, attributes and competencies required for successful leadership</p> <p>Provide suggestions on training opportunities and development needs</p> <p>Output: Findings and recommendations specific to remit to be presented to AP HR</p>			
2 c	High Potential Selection Process	<p>Remit:</p> <p>Agreement on identification criteria and processes</p> <p>Suggestions on content of programme</p> <p>Output: Findings and recommendations specific to remit to be presented to AP HR</p>			

No	Target	Target Measures and Evidence	Responsible Person	Start Date	End date
3	<p>SMT to Agree Priorities</p> <ul style="list-style-type: none"> Leadership Development High Potential Development 	<p>SMT to discuss and agree:</p> <p>Leadership Development categories and priorities</p> <p>Leadership qualities (review and agree SLWG results of Success Profile)</p> <p>Business Critical Roles</p> <p>Budget</p>	AP HR	02 Apr 18	25 May 18
4	<p>Department Focused Training Needs Analysis 2018-19</p>	<p>Department TNA with focus on skills gaps, mandatory training requirements and professional standards. This will follow completion of 17-18 PRD initial meetings.</p> <p>Forward planning of training needs allows appropriate planning of events, budgeting, attendance and prioritisation. Input from staff will support the relevance of management decisions.</p> <p>Creation of CPD calendar</p> <p>Output: Department specific training plan in place for 2018/19</p>	HRBM's	08 Dec 17	27 Apr 18
5	<p>Management Skills Training Programme</p>	<p>In line with findings of SLWG Personal Development Priorities - Delivery of skills relating to:</p> <ul style="list-style-type: none"> SMART Objective setting Reviewing and supporting performance Setting personal development plans Defining competency needs <p>Output: Create training programme and rollout plan</p>	Head of HR	02 Apr 18	31 Aug 18 (into year 2)

No	Target	Target Measures and Evidence	Responsible Person	Start Date	End date
6	Leadership Development Programme	<p>Commence creation of bespoke programme based on Success Profiles</p> <p>This involves the creation of a bank of development opportunities adaptable to the needs of the individuals involved. This allows flexibility and can be adapted and updated from analysis, feedback and review.</p>	Head of HR	01 May 18	31 Aug 18 (into year 2)
7	Commence High Potential Development Programme	<p>Devise assessment process for candidates</p> <p>Select initial candidates for programme based on SLWG and SMT agreed process</p> <p>Conduct personal assessment and devise individual development plan</p>	Head of HR	01 May 18	31 Aug 18 (into year 2)

MAKING LEARNING WORK

People Strategy 2017-22

Forth
Valley
College



Making Learning Work

www.forthvalley.ac.uk

INTRODUCTION

AT FORTH VALLEY COLLEGE, WE RECOGNISE THE CONTRIBUTION THAT OUR STAFF MAKE TO DELIVERING OUR MISSION OF MAKING LEARNING WORK.

OUR WORKFORCE OF OVER 600 STAFF MEMBERS ARE OUR MOST TREASURED ASSET AND IT IS THE HARD-WORK, COMMITMENT AND INNOVATION OF OUR DYNAMIC TEAM THAT HAS ENSURED OUR CONTINUED SUCCESS.

Since 2014, we have been on an ambitious journey, with a mission of “Making Learning Work” – placing students at the centre of our development and strategic thinking. Now as we move into a new planning cycle, we aim to build on our progress by placing a real emphasis on our people to create a workforce for the future.

It is through our people that ‘Making Learning Work’ is delivered and will be sustained. To succeed we need the right people, with the right skills and values, in place at the right time. We need exceptional leaders who advocate our culture, live our values and encourage high performance. Our People Strategy is linked directly to the College’s Strategic Plan and seeks to create a highly talented, diverse and motivated workforce who are empowered and engaged through working in a developmental, collaborative, forward thinking and dynamic working environment.

Together we can continue to make learning work for our staff, students and stakeholders.

OUR STORY SO FAR...

OVER **600** MEMBERS OF STAFF

1ST COLLEGE IN SCOTLAND TO COMMIT TO THE SCOTTISH BUSINESS PLEDGE

LIVING WAGE EMPLOYER



Healthy Body, Healthy Mind Award



19 SECTOR LEADING **GOOD PRACTICE POINTS** IDENTIFIED IN OUR 2016 EDUCATION SCOTLAND REVIEW

HEALTHY WORKING LIVES **GOLD AWARD**



Forth Valley College



Making Learning Work

Gold Award for Sustainability at the CDN Annual Awards 2014

Most Innovative Teacher Award
at TES (UK) FE Awards 2014



'Best Teaching & Learning Initiative'

award at TES (UK) Further Education Awards 2016



HIGHLY
SKILLED STAFF
WITH A WIDE
VARIETY OF
INDUSTRY
EXPERIENCE

**DISABILITY
CONFIDENT
EMPLOYER**



AWARDED LGBT
CHARTER OF RIGHTS
FOUNDATION LEVEL



Winner of the
**'Innovation in FE
Award'** at the AoC
Beacon Awards 2014

OUR VISION

Make Learning Work

Driving our Momentum

Shaping the Future

Delivering a whole system approach. Simple, effective, efficient and consistent

Creating a superb environment for learning

Cultivating a vibrant learning organisation where learners develop skills, achieve qualifications valued by industry and progress seamlessly

Aspirational, accountable, empowering, respectful, equitable, innovative, inclusive, engaging, quality enhancing, customer facing, sustainable, trusting, continuity and consistency

Enhancing our position as the business and community partner of choice

Instilling an energy and passion for our people, celebrating success and innovation

Leading as a business that is a champion for governance, financial control and balanced risk taking

Delivering a World Class Service

In delivering the People Strategy we will:

- ✓ **Develop** and empower our people as a workforce for the future
- ✓ **Ensure** all college activities reflect the key principles of equality and diversity to achieve an inclusive organisation
- ✓ **Value** staff by recognising and celebrating success

We will do this by:

- ✓ **Promoting** an agile workforce, embracing innovation, facilitation, mentoring and peer support
- ✓ **Developing** future leaders ensuring effective succession planning
- ✓ **Engaging** staff in the future direction of the College and providing opportunities for professional development and collaborative opportunities
- ✓ **Delivering** the benefits of a digital environment through capacity building and CPD that embraces emerging technologies and practices
- ✓ **Fully** integrating equality and diversity in everything we do
- ✓ **Ensuring** every member of staff has the opportunity to contribute to the direction of the College
- ✓ **Celebrating** the success of our staff and students



LEADERSHIP AND DRIVE

Our people are at the core of our success. At Forth Valley it's a team effort and everyone has a role to play in ensuring each student leaves us with the skills ready to take on a productive role in the world of work.

For this to happen, it's critical that our staff feel trusted, respected, and supported through inspiring leadership which sets a clear vision for the direction of the College. Our People Strategy aims to provide staff with the freedom and scope to innovate and use creativity to enhance the learning experience for all.

Together we will:

- **Create** a student-centric organisation to ensure everyone reaches their full potential
- **Cultivate** a culture that strives for excellence in everything we do and seek to continually improve and develop
- **Instill** a collaborative approach by listening to our people to shape the future direction of the College
- **Lead** the College through strong governance, sound decision-making and clear expectations
- **Enhance** the College's brand position through our shared culture and values
- **Deliver** trust and confidence in our people to deliver a world class service

We will achieve this by

- ✓ Equipping our people with the confidence to contribute to the development of the College, their department and own career development
- ✓ Creating a strategic mission, vision and values which are relevant, progressive and embedded into the fabric of everyday College life
- ✓ Developing and encouraging our people to become leaders through a robust talent management programme
- ✓ Maintaining productive working relationships with our Trade Union representatives
- ✓ Empowering our people to become influential in their specialist field and encouraging them to share their knowledge both internally and externally
- ✓ Regularly consulting with staff and encouraging open dialogue to share insights into current practice and update on the progress of the College
- ✓ Listening to staff and ability to feedback on ideas for future developments

WORKFORCE FOR THE FUTURE

Forth Valley College has enjoyed continued success as a leading provider of education and training locally, nationally and internationally. Central to our success is the talent and skills of our staff and our People Strategy 2017 – 2022 seeks to build on this success by striving to create a workforce for the future.

Therefore, the College must fully embrace technology and provide our staff with the flexibility, knowledge and resources to ensure our future generations prosper in a digital world.

Together we will:

- **Create** a modern, flexible working environment which promotes innovation and creativity
- **Cultivate** a sector leading workforce of highly skilled employees in both teaching and service departments
- **Instill** an agile methodology that responds to the needs of students, staff and stakeholders
- **Lead** a digital first ethos that ensures digital literacy and creativity is placed at the heart of everything we do
- **Enhance** our position as the employer of choice through world class development opportunities
- **Deliver** opportunities for effective cross college partnership working to build on our success

We will achieve this by

- ✓ Building, developing and nurturing a multi-skilled workforce and culture
- ✓ Developing a competency based sector-leading training framework
- ✓ Regularly review structures and role profiles to ensure they are flexible, responsive and fit-for purpose
- ✓ Investing in an individual's personal development
- ✓ Creating opportunities to build resource capacity through robust curriculum development aligned to the needs of the labour market
- ✓ Encouraging our people to embrace digital technologies and new innovations for enhanced service delivery and effective working practices
- ✓ Reflective and evaluative approach to service improvement
- ✓ Investing in our equipment and working environment to lead the way in modern and innovative learning and teaching

WELL-BEING, ENGAGEMENT AND DIVERSITY

At Forth Valley College, we are committed to ensuring that all staff work in an environment that is free from discrimination, harassment and victimisation and that everyone can progress equally.

We strive for fairness and inclusion in all that we do and are committed to many national initiatives. We aim to enhance our position as the employer of choice. We are very proud to be the first College in the country to commit to the Scottish Business Pledge and also delighted to be accredited as a Living Wage and a Disability Confident Employer.

Our dedicated teams are at the heart of our continued success and are advocates of the College brand. Our People Strategy aims to enhance communication, allow individuals to contribute to the direction of the College and provide opportunities for staff to flourish by creating state-of-the art working environments and more initiatives to support their health and well-being.

Together we will:

- **Create** opportunities for enhanced two-way communications and scope for staff to provide feedback for our future development
- **Cultivate** the very best talent from within and out with the College to support curriculum development, deliver strategic priorities and capitalise on growth opportunities
- **Instill** a consistent and fair approach across the College for career development and talent sourcing
- **Lead** a culture of respect, openness, transparency and accountability across the College
- **Enhance** opportunities to improve the health and well-being of our workforce
- **Deliver** clear and concise expectations of individual roles, responsibilities and impact on the overall success of the College

We will achieve this by

- ✓ Encouraging collaborative working and respect between teaching and service teams and creating opportunities for staff to work on cross college initiatives
- ✓ Promoting a culture of inclusion, health & safety and well-being and ensuring staff members take individual responsibility for their conduct
- ✓ Recruiting staff in a fair and transparent way - with a consistent approach
- ✓ Communicating effectively with staff at all levels, including them in key decisions and ensuring their opinions are valued
- ✓ Ensuring staff are clear about what is expected of their roles through effective induction and performance monitoring/departmental planning processes
- ✓ Adopting a consultative approach to organisational change to ensure staff understand and trust ambitious decisions being taken
- ✓ Providing professional development opportunities for staff
- ✓ Offering access to information and services which benefit staff in both their work and personal lives

RECOGNISING & CELEBRATING SUCCESS

As part of our strategic vision we want to build on our success through providing more opportunities for our staff to progress and develop their own careers. We aim to embed a talent programme across the College to develop our future leaders.

We seek to empower staff by giving them the confidence to challenge current practice, and make ambitious decisions for their own areas of expertise. We want to provide greater flexibility to innovate and develop partnerships both internally and externally. Our ability to recognise success will require effective managing and monitoring of individual and team performance through effective HR processes. We must ensure we have a consistent approach across the College to develop individuals in the role, their department and the wider College. This may include increased opportunities for involvement in business transformation projects, more secondment opportunities and increased investment in both staff development and enhanced employee benefits.

Together we will:

- **Create** an environment where people flourish – giving scope to work with a greater autonomy, and celebrate and recognise success
- **Cultivate** future leaders through a clearly defined talent management programme
- **Instill** a management culture that leads by example and seeks to provide feedback through positive dialogue
- **Lead** the development of the College through new creative approaches and champion collaborative working
- **Enhance** staff development opportunities and increase investment in CDP and Staff Development
- **Deliver** creative development solutions where we learn from each other and share best practice and provide forums to shape ideas and recognise success

We will achieve this by

- ✓ Reviewing and enhancing the process for developing individual development/ career plans and ensuring a consistent approach adopted across the College
- ✓ Supporting the development of staff to achieve skills, knowledge and qualifications to help them develop further and reach their full potential
- ✓ Investing in CPD and staff development and working closely with managers to ensure options available aligns with the needs of the College, departments and individual career objectives
- ✓ Create a talent management programme which aims to develop our managers to become future leaders and support succession planning
- ✓ Promoting opportunities and career progression and encouraging regular dialogue with team members to discuss career aspirations and their future plans through our PRD process
- ✓ Encouraging staff to enter their work in external awards to showcase their practice and raise their profile across the sector through external endorsement
- ✓ Celebrate success through increased internal and external communications

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1. Purpose

To present to the Board of Management the fifteenth Principal's report on key and strategic activity undertaken since the Board meeting in June 2017.

2. Recommendation

The Board should note and comment on the activity undertaken by the Principal since June 2017.

3. Key Highlights

3.1 As reported and approved by the Remuneration Committee, I have now put in place the changes to SMT to deliver on the new College Strategic Plan 2017– 2022, whilst also recognising the national role we have in Scotland's FE/HE environment. Importantly, Colette Filippi's position of Associate Principal for Business Development has not been replaced. Also, as Balfour Beatty have now started on site for the build of the new Falkirk Campus, the College have also agreed with Hugh Hall, Fife College Principal, that Tom Gorman will be seconded to the Fife College Estate Development for half of his time (0.5 FTE) over the next two years. Therefore, Forth Valley College SMT has moved from being a seven strong Executive group to 5.5FTE. Responsibilities have been re-aligned within the existing SMT and I agreed with the Remuneration Committee that there would be changes to job titles to ensure parity with the rest of the sector and to recognise the scope of work currently undertaken with our external stakeholders. Effective 1st November 2017, the following changes to titles came into effect and were communicated to all college staff through e.Focus:

- Andrew Lawson, Depute Principal and Chief Operating Officer
- Alison Stewart, Vice Principal Finance and Corporate Affairs
- Fiona Brown, Vice Principal Learning and Quality
- David Allison, Vice Principal Information Systems and Communication
- Tom Gorman, Vice Principal Estates Development (0.5 FTE)

To support Tom Gorman, Claire Shiels has been appointed to the Project team on a full-time secondment as Assistant Director for Estates Development and we have also now appointed Gordon Berry, Lecturer in the Department of Construction as a full-time support to Claire. Marc McCusker has been promoted to the role of Head of Estates and Health & Safety to backfill Claire Shiels' which provides an excellent opportunity for succession planning. In addition, the project management role for the technical team continues to be undertaken by Graeme Watson of AECOM and we are delighted to have Stewart MacPhail as Project Director for Balfour Beatty.

3.2 Fiona Brown, VP Learning and Quality, David Allison VP Information Systems and Communication and I took part in an Endorsement Meeting with SFC and Education Scotland, hosted by HMI Gill Ritchie. This follows a new sector quality framework and analysis of our Evaluation Report and Enhancement Plan (EREP) which was presented to the Strategic Development Committee in September. We are delighted with the outcome. There was unanimous acceptance of our EREP 2017-18, with no changes. [REDACTED]

[REDACTED] of Excellent for Leadership and quality culture, Very Good for Delivery of Learning and services to support learning and Very Good for Outcomes and Impact. This document will support the College's Outcome Agreement and be a key report as part of the Minister's "intensification" of OA's. Copies of the EREP will be available at the Board meeting on 7th December 2017.

- 3.3 We were delighted to welcome Shirley-Anne Somerville, Minister for FE, HE and Science along to the official first sod cutting ceremony for the new Falkirk Campus. This event was attended by Board members, representatives of Balfour Beatty, Scottish Funding Council, Reiach and Hall Architects, the technical team from AECOM and our own Project team together with six apprentices from key industry partners (Ineos, Scotrail, FMC, GSK, ExxonMobil and CalaChem). The event was video recorded for external marketing purposes and can be viewed at <https://vimeo.com/242236871>. Following the ceremony, the Minister has agreed to be keynote speaker at our 2018 Stirling Castle Graduation.
- 3.4 Thanks to all Board members and college staff who helped make the two 2017 Graduation ceremonies in October such a great success. Our key-note speaker at the Falkirk Town Hall ceremony was John McNally, MD for Ineos and at Stirling Castle, our speaker was Alex Paterson, CEO of Historic Environment Scotland.
- 3.5 I am delighted to report that over the last few months the College and our students have achieved the following awards and achievements (further information on each can be found on the college website):
- Scottish Training Federation Training Provider of the Year Award in partnership with WGM Engineering in the Success In Partnership category.
 - SQA Star Award Highly Commended in the category of Partnership of the Year for HNC Police Studies provision and the community engagement benefits.
 - College Development Network Award, Highly Commended in the category of Health Promoting College.
 - Scottish Power Award for Corporate Social Responsible Supplier of the Year.
 - FVC Plumbing student won the David More Trophy for the Best Apprentice Award at the SNIPEF Edinburgh & District Annual Awards.
 - FVC Stonemasonry Modern Apprentice reached the final of the UK's SkillBuild of the Year competition.
 - FVC Foundation Apprentice student, whilst still at Bo'ness Academy, reached the final three in the Foundation Apprentice of the Year category of Skills Development Scotland's 2017 Scottish Apprenticeship Awards.
 - FVC Painting and Decorating Modern Apprentice reached the final of the UK's Crown Trade Apprentice Decorator of the Year.
-

4. Networking

4.1 I reported in the 14th Principal's Report that the College is leading on developments with Stirling and Falkirk Councils and the Forth Valley Integrated Health Partnership in providing a road map of skills for the Health and Social Care and Early Years sectors. These are key Scottish Government policy areas with the potential for additional funding. We have now appointed a development officer, co-funded by Stirling Council, to support a full training needs analysis of the areas with recommendations for future delivery and investment. This will be a key area for the College and [REDACTED]

[REDACTED]

4.2 I attended two Parliamentary Receptions at Holyrood, one for the Scottish Waterways Trust and the other for Chemical Sciences Scotland. At both events, the host MSP highlighted the quality technical training of Forth Valley College.

4.3 Since June, I have attended five meetings of the Scottish Government led Learner Journey 15-24 Review, with a final report due at the end of the year.

4.4 Colleagues from the Departments of Engineering and Science, together with Fiona Brown, VP for Learning and Quality, visited Aberdeen University and signed an MoU in relation to improved articulation and collaborative projects. Professor Peter McGeorge has since visited Forth Valley College Falkirk Campus and they are keen to pursue opportunities in Care and Creative Industries.

4.5 I am currently in discussions with Sistema Big Noise, Raploch who, in their 10th year, are keen to develop an articulation route for their students currently at Wallace High School. [REDACTED]

[REDACTED]

4.6 I have also attended the Scottish Leaders Forum on Brexit; the SFC/SDS Joint Skills Committee and the official opening by Fiona Hyslop MSP of the Engine Shed in Stirling.

4.7 The Principal of Fife College, Hugh Hall, and I initiated a meeting with our respective Engineering Departments, which has resulted in some collaborative work being undertaken in relation to summer school, Mathematics and STEM provision.

5. Presentations

The last few months have been busy with the number of presentations I have given, which I have used to promote the College and our strategic activity as well as highlighting our successful collaborations across the Forth Valley region and the sector as a whole. Specifically:

5.1 I was keynote speaker at the inaugural Education Building Scotland conference held at the EICC in November.

- 5.2 Key note speaker at the Scottish Training Federation annual conference in September and at the Further Education Learning and Teaching Group (FELTAG) annual conference in London where I was promoting Creative Learning and our whole system approach to technology. I also presented at the Digital Cities Workshop in Stirling; to SFC as part of their staff development week on Innovation in Colleges and keynote speaker at the Heritage Conservation conference held at the Engine Shed and spoke on Creative Learning alongside colleagues from China on the Forbidden City. I also hosted a dinner at the Stirling Campus for the Building History Conference and hosted a DYW Hospitality event again at the Stirling Campus with Fiona Hyslop, MSP and Cabinet Secretary for Culture, Tourism and External Affairs.
- 5.3 I also gave a key note presentation at the very successful Creative Learning Conference for all of our teaching staff held at the Stirling Campus in August and then over the next four weeks, held 18 meetings with all teaching and all support departments to showcase the launch of the College's Strategic Plan 2017-2022.

6. Key Meetings

I undertook the following key meetings in the period 17 June 2017 to 27 November 2017:

- 6.1 Over the period of this report I have had six scheduled meetings with Ross Martin, Chair of the Board of Management, which is in addition to many events we have both attended including meetings with the Minister, Falkirk Football Club, IoD activity and Scottish Waterways Trust. I have also held four monthly meetings with the Student Association.
- 6.2 Following the General Election in June, I have now met with all of our MP's. Martyn Day and John McNally from Falkirk and Linlithgow, Luke Graham for Clackmannan and Stephen Kerr for Stirling. I was able to update them on the new Forth Valley College Falkirk estate, the successes of our PI's, engagement with schools and Universities, our strategic relationships with industry and our ongoing contribution to economic development through the city deals and Grangemouth Vision. In addition, I recently met with our Falkirk MSP's Michael Matheson and Angus MacDonald to highlight the Falkirk estate and discuss opportunities for the future.
- 6.3 We have received excellent press on key contract signings; firstly with Servest, our new Facilities Management provider, and secondly the contract signing with Balfour Beatty in advance of the formal sod cutting ceremony. In relation to estates development I have also had helpful meetings with our neighbours – Jim McSpurren, Area Service Manager for the Ambulance Service and Brian Monteith, owner of the SDM car dealership. I have also met with Nathan Goode, who has developed a Social Value Portal and will be used by Naila Akram, lead on Community Benefits for Balfour Beatty.
- 6.4 In relation to our School/College partnership, Fiona Brown and I met with David McKay, Head of Education for Falkirk Schools to look at collaborative opportunities and an initial discussion around the new Regional Implementation Collaboration.
- 6.5 On the STEM agenda, I have met with Marc Fleming, Head Teacher at McLaren High School in Callandar, who are keen to work with the College specifically on STEM matters.
- 6.6 Over the last few months I have held key meetings with Aileen McKecknie, Director of Advanced Learning and Science at Scottish Government; Tracy Black, Depute Director for CBI
-

Scotland; Angus Warren, CEO of APUC; Professor Nigel Seaton from Abertay University; Jill Buchanan, Editor at the Falkirk Herald and Andrew Youngson, our SFC Outcome Agreement Manager.

- 6.7 Finally, in developing the strategic relationship with South East Regional College, Belfast (SERC) we have now signed an MoA and have begun work on a number of projects, including peer mentoring. A group of staff came with me to Belfast to meet, plan and schedule project activity with SERC colleagues in September.

7. Colleges Scotland

- 7.1 Since June 2107, I have attended three meetings of the College Principals Group, three Colleges Scotland Funding and Finance Committee meetings and a meeting of all College and University Principals held at Edinburgh College and hosted by the Minister for FE, HE and Science on the Scottish Government's ambition for "intensification" of the Outcome Agreement process.
- 7.2 I continue to represent Colleges Scotland in strategic discussions with SDS officials on the Foundation Apprenticeships provision.
- 7.3 I attended two national meetings of the Learner Journey 15-24 hosted by Scottish Government, representing Colleges Scotland. Five project groups were set up and I was a member of the group on Provision, Transition and Progression. The Review report should be published in December 2017.
- 7.4 I also attended the Access Delivery Group meeting chaired by the Minister for FE, HE and Science to discuss the Universities Scotland report on Working to Widen Access, which was published on 15 November 2017.

8. Community Planning Partnership

- 8.1 There were three meetings of the Leadership Group for Community Partnership Planning in Stirling and three Executive and Strategic Board meetings in Falkirk. We will be bringing forward a paper to the Board in the New Year with an analysis of value add for the College and a recommendation for discussion on taking forward the College's strategic involvement in CPP's across the region

9. Financial Implications

None

10. Equalities

Assessment in Place? – Yes No

If No, please explain why – This paper is an overview report only, there are no changes to College policy or practice involved.

Please summarise any positive/negative impacts (noting mitigating actions) – N/A

11. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		
Low		
Very Low	X	X

Please describe any risks associated with this paper and associated mitigating actions – None

Risk Owner – Ken Thomson

Action Owner – Ken Thomson

12. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes No

Health and Safety – Yes No

Please provide a summary of these implications – N/A

Paper Author – Ken Thomson

SMT Owner – Ken Thomson

1. Purpose

To present to members the Annual Report and Financial Statements for the year to 31 July 2017.

2. Recommendation

Members consider the financial position of the College for the year ended 31 July 2017 and approve the Annual Report and Financial Statements for the year ended 31 July 2017.

3. Background

The Office for National Statistics (ONS) reclassification of FE Colleges came into effect from 1 April 2014. There are a number of significant implications resulting from this reclassification not least the inability to retain surplus cash without this in effect being frozen due to government resource budgeting restrictions.

The Annual Report and Financial Statements have been prepared in accordance with the Accounts Direction issued by the Scottish Funding Council in August 2015 which requires the College to comply with the Statement of Recommended Practice: Accounting for Further and Higher Education issued in July 2015 (2015 SORP), the Scottish Public Finance Manual (SPFM) and the Scottish governments Financial Reporting Manual (FReM).

The SPFM and FReM both require additional disclosures.

4. Key Considerations

The adoption of the Financial Reporting standard (FRS) 102 and the 2015 SORP combined with the government accounting restrictions on the ability to retain cash surpluses due to resource budgeting restrictions means it is becoming increasingly difficult to present the College's financial position in a way which informs readers of the true underlying financial sustainability of the College.

The key consideration for members is the long term financial sustainability of the College. This is referred to within the Annual Report and Financial Statements as the College continuing to operate on a "going concern" basis. Under the current reporting regime previous indicators such as reporting an operating surplus and having a strong Balance Sheet with net assets are no longer achievable. This does not however mean that the College is financially unstable.

The key measure going forward is the College's ability to generate cash from its day to day operational activities and that it can meet its liabilities as they fall due. The impact of non cash technical accounting adjustments while they are relevant to some extent should be excluded when assessing the College's financial strength.

The Financial Performance section of the Performance Report provides a detailed review of the College's financial performance for the year ended 31 July 2017 and its financial position at 31 July 2017. The key points to note are

- The College generated an underlying operational surplus of £736k against the original budget, excluding non-cash adjustments, the estates development cost and the loan payment.
- The net liability position is distorted due to the technical accounting adjustments in relation to the treatment of government capital grants and pension liabilities. Also, the impact of reclassification where surplus cash has been donated to an arm's length foundation or spent to support the estates development programme impacts on the net liabilities.
- A £2m grant, was received in-year from Glasgow Kelvin College and used to purchase the additional land at Middlefield, Falkirk and covered some of the 2016/17 New Falkirk estates development costs.
- As a result of receiving the above mentioned £2m grant earlier than planned, the College delivered an increased operational surplus and approval was sought from SFC to donate surplus funds to Forth Valley College Foundation.
- The external auditors are content there are no going concern issues as the underlying financial position has been clearly demonstrated.

5. Financial Implications

SFC guidance states that for the financial period ended 31 July 2017 Colleges are permitted to report deficits equivalent to the net depreciation figure and FRS 17 pension charges and FRS 102 adjustments. The reported financial position falls within the guidelines.

Reporting a deficit does have implications however, and to counter any queries or concerns by the users of the Financial Statements, SFC have issued a statement of assurance for Colleges to incorporate into their Financial Statements for the financial period ended 31 July 2017. This statement stated the deficit should be viewed as a "technical" deficit and should not be interpreted, on its own, as a challenge to the College's ongoing financial sustainability. The full Statement is in Note 36 of the Accounts.

6. Banking Covenants

A new covenant has been agreed with Barclays linked to the resource outturn. The College has met this covenant for 2016/17.

7. Equalities

Assessment in Place? – N/a

8. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		x
Low	x	
Very Low		

Due to the adoption of FRS 102 in terms of the accounting treatment of certain items and the associated presentational changes, the college's underlying financial health is being masked. There is a risk that those not familiar with the technical aspects of Financial Statements will misinterpret the state of the College's financial health. In mitigation of this it needs to be stressed that both the Board of Management, SFC and the external auditors are in agreement that there is no going concern issues.

Risk Owner – Alison Stewart

Action Owner – Irene Andrew

Paper Author – Alison Stewart

SMT Owner – Alison Stewart

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FORTH VALLEY COLLEGE OF FURTHER AND HIGHER EDUCATION

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 July 2017

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The financial statements were approved and authorised for issue on 7 December 2017.

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PERFORMANCE REPORT

OVERVIEW

Principal and Chief Executive's statement

In 2016/17, thanks to the hard work of our staff and students, the College has continued to live up to its mission of "Making Learning Work".

The year has not been without its challenges. The impact of externally driven National Bargaining process on delivery and our continued inability to retain surpluses owing to reclassification as a public body, have underlined the need for careful management of College resource to minimise the impact on our students.

In order to support our aspirations for the College, our commercial and apprenticeship activity has continued to play a vital role in the life of the College and the development of these and new markets have remained a key priority for the College. We are grateful for the continued support from existing stakeholders and welcome the opportunity to work with new partners locally, nationally and internationally to secure the benefits of new apprenticeship schemes such as Foundation Apprenticeships.

The College has continued to make headway with our aspirations to deliver a new Falkirk headquarters campus to the standard of our Alloa and Stirling campuses. 2016/17 saw continued positive progress towards the realisation of the new Campus. In August 2017, our Board of Management approved the final Decision Point report for submission to the Scottish Funding Council and Scottish Government, with final approval received on 4 October 2017. The College also undertook a comprehensive tendering process and identified a preferred contractor, with the contract for the main building being awarded to Balfour Beatty on 11 October 2017.

The College continued to embed and celebrate creative learning throughout our curriculum. There has been significant engagement with lecturing staff and a real sense of positive motion to embedding this throughout the College.

The College also continued to demonstrate that it was the place to be for STEM learning. I am justifiably proud of our outstanding success rates particularly in relation to our STEM provision. They demonstrate our passion for driving the STEM agenda forward and the vital role that Forth Valley College is playing in delivering the quality skills and training required for Scotland's future economic success.

It has also been an excellent year with rewards and recognition from the Scottish Training Federation, College Development Network, Scottish Qualifications Authority (SVQ) Star Awards and by Skills Development Scotland for Modern Apprenticeships.

Overall I am incredibly pleased with how we have met the challenges facing us and have continued to deliver for students, our staff and other College stakeholders.

Dr Ken Thomson

Principal and Chief Executive

7 December 2017

Vision, purpose and activities

Legal Status

Forth Valley College came into being on 1 August 2005 as a result of the merger of Clackmannan and Falkirk Colleges. The Office for National Statistics (ONS) reclassified all incorporated Further Education (FE) Colleges as central government entities, to be referred to as Arm's Length Public Bodies from 1 April 2014. The College is a registered charity (Scottish Charity number SCO21191) for the purposes of the Law Reform (Miscellaneous Provisions) (Scotland) Act 2005.

The Financial Statements cover all activities of the College.

Mission Statement

The College Mission Statement is:

Making Learning Work

College Vision

The College Vision is:

**Shaping the Future
Delivering a World Class Service
Driving Our Momentum**

Strategic Themes

Forth Valley College of Further and Higher Education has 6 key strategic themes for the period 2014 - 2018. These are:

- Creating a superb environment for learning
- Cultivating a vibrant learning organisation where learners develop skills, achieve qualifications valued by industry and progress seamlessly
- Instilling an energy and passion for our people, celebrating success and innovation
- Leading as a business that is a champion for governance, financial control and balanced risk taking
- Enhancing our position as the business and community partner of choice
- Delivering a whole system approach. Simply effective, efficient and consistent.

Performance Summary

During 2016/17 the College continued to progress our vision of 'Making Learning Work'.

Creating a superb environment for learning – We have continued to invest in our estates ensuring we offer the best possible learning environment for our students. The College submitted a Decision Point 4 report to the Scottish Funding Council and Scottish Government for the final approval to appoint a Main Contractor in September 2017. Approval was received on 4 October 2017 and the main contractor started on site on 23 October 2017.

The project remains on programme and within budget and extensive internal consultation has also occurred along with public events and meetings with key external stakeholders.

Throughout the process, governance arrangements have been in place with a specialist Falkirk Campus Project Board established to oversee progress. The Falkirk Campus Project Board comprises members of the Board of Management, a dedicated College Project Team, along with representation from College staff and the Scottish Futures Trust.

Our new campuses in Alloa and Stirling also continue to perform well, with high demand for the accommodation and positive feedback from students, staff, the local community and visitors on the quality of the facilities we offer.

Cultivating a vibrant learning organisation where learners develop skills, achieve qualifications valued by industry and progress seamlessly – This theme is fundamental to ensuring we live up to our mission statement of “Making Learning Work”.

In 2016/2017 we continued our Curriculum Review process to ensure that our future curriculum developments continue to meet the needs of the employers of Forth Valley and beyond and to take full account of national priorities, such as the Scottish Government’s Youth Employment Strategy and the latest available information about regional skills needs.

In 2016/2017 the College further developed its cutting edge Creative Learning initiative, with numerous initiatives across the college through which staff were supported to work collaboratively with colleagues, across departmental boundaries, to design and facilitate innovative and value-added learning experiences for their students.

We continued to operate our successful “Listening to Learners” focus group process, through which over 3,000 students contributed their views and helped to shape learning within their programmes of study. Satisfaction levels remain very high across all of the factors included on the focus group agendas. In the 2016/2017 National Student Satisfaction and Engagement Survey required by SFC, 95% of Forth Valley students reported that they were overall satisfied with their college experience.

Instilling an energy and passion for our people, celebrating success and innovation – Staff development processes have been revamped and have proved to be successful in their innovative approach in engaging staff and creating a platform of ownership and pride in the delivery of learning and teaching as well as increasing the knowledge base, skills and industrial experience of employees. The staff development theme of Creative Learning develops into its next stage of innovation and has seen staff throughout the organisation embrace this in their practice. The Ambassador role within the College has also moved onto the next stage with an interactive web page and blog which captures the benefits of representing Forth Valley College at a wide range of national and international events. This also gives more opportunities for staff to represent the College at a wide range of events.

The total response rate for our second cultural survey was 340 completed surveys, which is around 54% of the college establishment. This figure is a slight drop of around 2.3% from the previous survey. Overall engagement of the cultural survey was extremely positive - achieving over 80% engagement across all 9 sections. Discussions are now in place to provide an action plan which will highlight key targets from the survey and focus on improvements.

Forth Valley College has officially been accredited as a UK Living Wage Employer and has also been awarded The Scottish Business Pledge.

Leading as a business that is a champion for governance, financial control and balanced risk taking – The Board of Management approved the updated Code of Good Governance for Scotland’s Colleges in December 2016. The College continues to work within this framework. During the year the College completed a recruitment process for new Board members and the re-appointment of 5 existing Board members in line with the Sector Board Appointments: 2014 Ministerial Guidance. The new appointments of 2 non-executive members were approved by Scottish Ministers in December 2016 and the re-appointment of the 5 existing members was approved in March 2017. A formal induction process has been completed by the new members. The Scottish Government lead on the appointment of a new Chair of the Board of Management following the resignation of the existing Chair in February 2017.

A full report on the College’s financial performance is included within the Performance Analysis section of this report. Overall the College’s financial health continues to be strong which is demonstrated by the ability to generate significant levels of cash surplus on the day to day operational activities of the College. In 2016/17 this has been used to support our estates development programme for a new Falkirk campus. As an arms-length public body the College is not expected to retain reserves for future investment and is required to balance its Resource Budget.

Enhancing our position as the business and community partner of choice – Strong employer and stakeholder relationships are key to ensuring we maintain our position as a partner of choice. One of the highlights this year

was the employer ambassador model developed to promote work based learning with 12 Key Employers to mutually champion Modern Apprenticeships through extensive CPD opportunities, organised school events and international business exchanges.

With an SDS contract now above £1m and an achievement rate of 84% we are continuing to maintain our position as a leading Modern Apprenticeship (MA) provider in the sector and continue to grow MA provision across 7 specific disciplines to satisfy industry requirements. Additionally, we have developed our Vocational Qualification (VQ) delivery direct to employers and are expanding this activity in a number of areas. Focusing on Clackmannanshire and Stirling we have mapped out our customer base allowing us to identify areas for growth across MA, SVQ and commercial provision, ensuring that we are meeting the training needs of our local community. This is particularly evident in Hospitality and Care SVQ and MA provision. We continue to explore and capture opportunities to extend our stand alone SVQ provision within the Care and Hospitality sectors. This allows us to continue to grow additional income streams. The introduction of electronic portfolios for VQ delivery will only enhance this in the coming year.

The global downturn in oil and gas has affected many of our partners over the last 18 months however from January 2017 we have seen signs of recovery within the sector. This is particularly evident in the steady increase uptake of numbers in CompEx. During this competitive time we continue to partner with a number of key partners. One of these is the Engineering Construction Industry Training Board (ECITB) where through adapting and evolving our modes of delivery we introduced the successful pre apprenticeship programme alongside the Modern Apprenticeship programme to ensure talent is available as they emerge into the recovery phase for their sector. To date 100% of those successfully completing the pre apprenticeship programme have progressed onto employment within the oil and gas sector.

Partnership is fundamental to achieving the College's vision of Making Learning Work both nationally and internationally. The college continues to engage with partners including Scottish Development International to assist in raising the colleges profile in regions and sectors aligned with our training and skills capability. Furthermore, the college is active in pursuing partnerships to enhance our position as a partner of choice and we're currently developing bespoke partnerships including national and international projects with Glasgow Caledonian University, Heriot Watt University and University of Aberdeen.

The college has also increased engagement in international mobility projects with Construction, Access & Progression, Care Health & Sport and Hospitality & Salon Services departments all engage in European student mobility or Erasmus Plus 'key strategic partnership' projects which include a number of European partner institutions from Spain, Netherlands, Sweden, China, Germany and Malta.

All the relationships and activities with our key employers and stakeholders have generated a tangible benefit to the College, supporting best practice and contributing towards the college's financial sustainability.

Delivering a whole system approach. Simply effective, efficient and consistent – We have continued to maximise the benefit from the significant investment in the College's ICT infrastructure over recent years. The amount of material available via our Moodle portal has increased, providing increased flexibility and allowing learners to take control of their own learning. This has been supported by increased use of the Eduroam service which enables students to bring in their own laptops and smartphones which can access College resources via the College wireless network.

We have continually improved our online application process, supported by the functionality for applicants to create a bespoke prospectus on our website, to provide a clear and supportive system to new and returning students. We have embedded our online student funding application which significantly improved the application process and helped to ensure faster decision making and communication to students. We have enhanced our processes with all record of interview information stored electronically, with processes in place to ensure our students are informed timeously of the outcome of their application interview, and we have also developed a schools portal in partnership with Falkirk Council, which allows local schools to see real-time information on school pupil applications to the College, which we hope will enable enhanced dialogue between all partners to enable students to successfully transition onto their correct course.

Through the development of a College Data dashboard we expanded the amount and range of real-time information available to appropriate staff throughout our organisation, and we have continued to develop our HR systems to allow staff access to a self-service "My Staff Record" area. For students we have further developed "My Info" to provide real-time access to initially timetable and attendance information, with the ability to access this portal from any mobile device.

During last session we piloted the use of Microsoft Surface devices, and for the current session this pilot is being extended to all teaching staff within our Stirling Campus, with the vision to enable staff to work flexibly and have more control of the IT device that they are using for delivering learning, to enable the device to be bespoke to the member of staff.

Principal Risks and Uncertainties

The College recognises the need to take informed and calculated risks to allow for the growth of the College. The College has comprehensive risk management systems in place to ensure that risks are fully analysed and receive the appropriate level of approval before activity commences. All risks identified within the College are monitored on an on-going basis and specialist registers are created for large individual projects such as estates developments.

The College has updated the strategic risk register to reflect the recent changes across the sector. The register provides details of individual risks, their potential consequences and the mitigating actions put in place to manage these risks.

The College has robust risk management processes in place to ensure relevant risks are captured, assessed and (where possible) mitigated against. The College maintains a register of strategic risks which is reported on at each meeting of the Audit Committee as well as being reported to the Board of Management.

At this time, the top risks on the Strategic Risk Register are:

- Failure to successfully exit from the current contractual obligations for the telecoms array on the West Block will negatively impact on College finances and estates development
- Strike action arising from National Bargaining negotiations will impact on the learning and teaching provision for students
- National bargaining will impact on the salary structure and terms and conditions of both support and teaching staff
- The current economic environment including Brexit will impact of the College's ability to generate commercial income
- Uncertainty over future SFC funding levels which impacts on curriculum planning and financial sustainability
- Implementation of the new General Data Protection Regulations (GDPR) by the EU and any subsequent UK legislation will impact on College data management practices.

Going concern

The net liability position reported in these Financial statements is due to the adoption of Financial Reporting Standard (FRS)102 which resulted in the reclassification of Capital Government Grants previously treated as Reserves to Liabilities due greater than one year. The net liabilities include a Pension Provision for early retirements of £7.3m and Pension Liability of £19.2m for College's share of the Falkirk Council Local Government Pension Scheme (LGPS). To the extent that the pension deficit is not met from the College's other sources of income, it may only be met by future grants or Grant In Aid from the Scottish Funding Council. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be paid in advance of need. The Board of Management of Forth Valley College has no reason to believe that future support will not be forthcoming. Given the above it has accordingly been considered appropriate to adopt a going concern basis for the preparation of these annual accounts.

PERFORMANCE ANALYSIS

Performance Indicators

The College has adopted the core set of performance indicators which were developed by the Colleges' Finance Community of Practice. The table below details performance in 2016/17 and 2015/16.

		Year Ended 31 July 2017	Year Ended 31 July 2016
Operating deficit as % of total income: deficit on continuing activities after depreciation of assets at valuation and loss of revaluation of land and buildings, and before disposal of assets and tax expressed as percentage of total income.		(2.1%)	(6.2%)
Non SFC Income as % of total income: total of non-SFC income expressed as a percentage of total income.		32.0%	30.8%
Current assets : current liabilities: ratio of total current assets to the total of creditors: amounts falling due within one year.		0.76:1	0.65:1
Days cash: cash and short-term investments divided by total expenditure less depreciation and expressed in days.		29	11
Staff turnover: FTE staff on a permanent contract of employment that leave for whatever reason during the year divided by the total FTE permanent staff at the college at the period end.		6%	4%
Working days lost through sickness absence: working days lost per staff FTE through sickness absence divided by the total FTEs employed at the institution at the period end (expressed as percentage).		3%	2%
Credits per staff FTE: actual Credits delivered in the year per FES return divided by total of FTEs involved in delivery of Credits.		323	329
		Year Ended 31 July 2017	Year Ended 31 July 2016
Performance against Credits: actual Credits delivered in-year divided by target Credits.		100%	100%
Student outcomes: total enrolments for students completing programme with a national qualification aim, expressed as a percentage of all enrolments (per the student and staff performance indicator publication).	FE Full time	73%	70%
	FE Part time	92%	91%
	HE Full time	70%	75%
	HE Part time	85%	88%
Student retention: measures number of enrolments for which the student has completed the programme, expressed as a percentage of all enrolments (per the student and staff performance indicator publication).	FE Full time	77%	75%
	FE Part time	96%	95%
	HE Full time	82%	83%
	HE Part time	94%	92%
Early student retention: measures the number of enrolments for which the student has reached the 25% date for funding purposes, expressed as a percentage of all enrolments (per the student and staff performance indicator publication).	FE Full time	93%	96%
	FE Part time	99%	99%
	HE Full time	97%	98%
	HE Part time	99%	99%

Current & Future Developments

We continue to rigorously review our overall curriculum portfolio, in the light of local and national skills priorities and sustain an excellent reputation with our employers, delivering industry-relevant courses within our campuses and bespoke training on employers' premises. We value these close links and utilise employer input to maintain the vocational relevance of the training we offer, and to secure the future employability of our learners.

A continued specific focus for curriculum development during 2016/2017 was the Developing the Young Workforce agenda and the associated Scottish Government Youth Employment Strategy, which set out seven year plans for schools, colleges, apprenticeships, employers and equality.

One target within the Strategy is to increase the percentage of school pupils achieving vocational qualifications at SCQF level 5 or above. In pursuit of this aim, the College continued to develop and expand its portfolio of qualifications at SCQF levels 5-7 for senior phase school pupils from our three partner local authorities. This included newly developed Foundation Apprenticeships in Social Services and Healthcare; Social Services Children and Young People: and Financial Services and Engineering.

In terms of learning and teaching, during 2017/18 we will maintain our strong focus on developing a culture of creativity in learning, using a lively and engaging Creative Learning Conference for staff in August 2017 as a catalyst for all staff to develop personal objectives for creative learning which will be formalised and monitored through our PRD process throughout the year. In 2016/17 we will also build on the success of our current Learning Strategy: Empowering Learners and develop this into a new, future-focused Creative Learning and Technology Strategy for 2018 - 2022, ensuring that we are fully prepared to maximise the benefits to learning and teaching that our new Falkirk Campus will bring.

As a key enabler of our new Creative Learning and Technology Strategy, during last session we piloted the use of Microsoft Surface devices, and for the current session this pilot is being extended to all teaching staff within our Stirling Campus, with the vision to enable staff to work flexibly and have more control of the IT device that they are using for delivering learning, to enable the device to be bespoke to the member of staff.

In terms of curriculum, we will continue to rigorously review our future portfolio to ensure that it fully reflects Skills Development Scotland's (SDS) regional skills plans, maximises employer engagement and delivers on our Outcome Agreement targets. This will include further development of vocational provision for senior phase school pupils, including further SDS funded Foundation Apprenticeships. We will also continue to work closely with our Higher Education Institute (HEI) partners to maximise success and progression on our existing integrated degree programmes and to develop additional articulation agreements for Higher National (HN) graduates.

Internationally we are connecting with the University of Stirling and Glasgow Caledonian University to offer a 2 plus 2 degree programme to international students in Biological Sciences and Engineering. The international students will be students of the university for the 4 year period with the college delivering years 1 and 2. This model will be based on our highly successful integrated degree programmes and other courses will be explored as an option for international students.

We have introduced an E-Portfolio project, One-File, to initially offer modern apprentices an electronic system for monitoring and assessing vocational qualifications. This has been piloted in construction, engineering and business development, and will be rolled out to cover all VQ activity throughout the coming session.

As we continue to develop and strengthen our employer relationships we have initiated the development of key systems to ensure data is recorded and maintained, and can provide KPIs for our key areas of delivery. For example our employer engagement system will support how we are engaging with employers and maintain key information and data about the employers and stakeholders we are working with. This will also be supported by an employer portal to provide employers with essential data on their employees in relation to attendance, progress and behaviours when attending College.

Financial Performance

The finances of Forth Valley College are regulated by the Financial Memorandum between the Board of Management and the Scottish Funding Council (SFC) under which the Principal is designated as Accounting Officer, responsible to the Chief Executive of the SFC for the stewardship of the College's finances and assets.

The reclassification of the College as an arm's length public body, effective from 1 April 2014, means the College is also regulated by the Financial Reporting Memorandum (FRm) and also by the Scottish Public Finance Manual (SPFM).

The financial statements have been prepared to comply with the Accounts Direction issued by SFC, the FRm and the revised Statement of Recommended Practice: Accounting for Further and Higher Education which was issued in July 2015.

The College's financial objectives are:

- maintain a position of financial security in the context of significant internal and external demand upon resource
- optimise land and other assets in the interest of the College
- manage the impact of estates development upon financial security
- continue to seek increased allocations from SFC to meet demographic demand
- grow commercial activity rates and overall contribution to the College
- implement efficiencies and improvements identified through our business transformation activity
- embedded sustainability throughout College practices.

Underlying Operating position

The following table provides the underlying operating position for Academic Year 2016/17:

	Actual Year Ended 31 July 2017 £000	Actual Year Ended 31 July 2016 £000
Deficit before other gains and losses	(742)	(2,085)
Add back:		
Depreciation (net of deferred capital grant release)	621	608
Impairment	415	0
FRS 102 SWAP Rate valuation movement	(257)	441
Non-cash pension adjustments	1,089	1,037
Donation to Arms-length Foundation	579	0
Estates development costs	1,805	1,739
	<u>3,510</u>	<u>1,740</u>
Less:		
Government grant for estates development costs	497	0
Other Government grant from Glasgow Kelvin College	2,000	0
Non-Government capital grants (e.g. ALF capital grant)	131	370
Revenue funding allocated to loan repayments	151	146
	<u>2,779</u>	<u>516</u>
Underlying operating surplus	731	1,224

The underlying operating surplus of £731k demonstrates that the college is operating sustainably within its funding allocation.

In October 2014 the Scottish Government announced funding for a new Falkirk campus through Scottish Future's Trust NPD (Not for Profit Distribution) programme. In April 2016 the College received confirmation from Scottish Government that the funding route was being changed to Capital Grant. The estates development costs expensed through the Statement of Comprehensive Income have been identified separately and relate to professional advisors fees in the preparation of the College's Full Business Case for the new campus.

SFC issued assurance to the College that deficits which arise from non-cash transactions should not be interpreted as a challenge to the College's financial sustainability and these should be treated as a "technical" deficit. Audit Scotland accepts that a deficit arising from the use of cash funding originally provided for non-cash depreciation does not indicate an underlying financial sustainability concern.

Balance Sheet

As per FReM guidelines, and as a result of the formal Ministerial approval gained for the construction of the new Falkirk campus on the Middlefield site, a valuation was sought for the existing Falkirk campus on Grangemouth Road, which resulted in the buildings being impaired by £13.2m, £12.8m of which was covered by the revaluation reserve and £0.4m charged to the Statement of Comprehensive Income for 2016/17.

Resource Outturn for the year ended 31 March 2017

A consequence of the college reclassification is that the College is required to report on its Resource Outturn to Scottish Government which is based on the government's financial year end of 31 March.

There are differences between the government accounting rules used for the Resource Outturn and the financial reporting accounting requirements used for these Financial Statements. One significant difference is the treatment of non-cash costs. Adherence to central government rules leaves the College unable to access accumulated cash reserves without the appropriate budget cover having been authorised from the Scottish Government. Any under-utilisation of allocated budget cover results in cash effectively being frozen. In order to minimise frozen cash in the College sector during the financial period being reported, the SFC granted Colleges additional budget cover up to the level of net depreciation at 31 March 17 (Scottish Government's financial year end). The net depreciation for the College was £608k. SFC authorisation was received to utilise the cash for the loan repayment and to make a donation to Forth Valley College Foundation. This prevented that cash becoming inaccessible to the College.

Spend of the College's cash budget for priorities, and impact on the operating position, is detailed below:

	31 July 2017	31 July 2016
	£000	£000
Revenue		
Estates Development Costs - New Falkirk Campus	0	470
Donation to ALF	462	0
Total impact on operating position	<u>462</u>	<u>470</u>
Capital		
Loan payments	146	143
Total Capital	<u>146</u>	<u>143</u>
Total cash budget for priorities spend	<u>608</u>	<u>613</u>

A summary of the Resource Outturn reported to SFC and Scottish Government is noted below.

Resource Outturn 2016/17	RDEL Year Ended 31 Mar 2017 £000	CDEL Year Ended 31 Mar 2017 £000
Total Income	(25,504)	(403)
Revenue Expenditure	<u>25,358</u>	<u>403</u>
Underspend on Resource Budget	<u>(146)</u>	<u>0</u>
Ringfenced RDEL		
Depreciation	<u>608</u>	
AME Expenditure	<u>4,614</u>	

The RDEL underspend of £146k is equivalent to the annual loan repayment the College has to make in relation to existing borrowings entered into prior to the reclassification as an arm's length public body. Although the repayments utilise cash they do not score against the resource outturn.

The CDEL budget was fully utilised.

Creditor Payment Performance

The College has a policy of paying suppliers within agreed terms unless the invoice is contested. Disputes and complaints are handled as quickly as possible. Every effort is made to take advantage of additional discount where this is offered for prompt payment. The College did not make any late interest payments during the year.

Standard creditor terms are set on our finance system to be 30 days and can be amended to adhere to supplier terms if authorised by Finance Team Management. Invoices are paid on a weekly basis by the due date and only if they are authorised for payment on the finance system. The average number of days taken to pay suppliers in the financial period being reported was 28 days (2015/16 - 28 days).

Sustainability Report

The College recognises that the changing climate will have far reaching effects on Scotland's economy, people and environment. Consequently, the commitment to carbon reduction remains a key strategic objective for the College, within the College mission statement of Making Learning Work.

Our vision is to lead by example in all our activities and to ensure that learners are aware of the impact their actions will have, on the environment. This commitment is supported by the College Green Sustainability Statement that is approved annually by the Chairman of the Board of Management and our College Principal.

The College has an established Sustainability Committee which performs a strategic function to set, and measure sustainability progress throughout the college. The Committee representatives agree a series of performance indicators annually, which are monitored and progressed. The Committee is led by the Associate Principal and Executive Director - Learning and Teaching.

A significant area of measurement is the College Carbon Management Plan (CMP) which was developed as a result of the College signing the Universities and Colleges Climate Commitment for Scotland (UCCCFs) in partnership with the EAUC (Environmental Association of Universities and Colleges). The CMP reflects all carbon associated with waste, fleet travel and utilities at each site. The College's estate has altered considerably since the CMP baseline year of 2008/09, with the opening of our new campus in Alloa (2011), which received an "Excellent" rating award

for the (Building Research Establishment Environmental Assessment Method) BREEAM, and new campus in Stirling (2012) which was awarded a "Very Good" Rating. The College remains on target to reduce total carbon dioxide (tCO₂) levels by 25% from the baseline figure of 2,873.62 tCO₂ by the year 2020. The figures are calculated annually, each November, in line with the Public Sector Climate Change Duties (2016) submission to Sustainable Scotland Network (SSN). Our current progress (November 2016) illustrated a 20.63% reduction in carbon from our 2008 baseline.

The College has targeted the majority of projects that have a positive carbon reduction with the lowest capital investment, however it is becoming increasingly challenging to identify further reductions without significant capital expense. The most significant project with low carbon benefits will be the fruition of the new Falkirk Campus, planned for completion in October 2019. The new Campus has been designed with an Energy Performance Certificate rating of B and a target of Very Good for the BREEAM (2014) award.

The College supports the mandatory reporting of targets made by the Scottish Government from 2016, using a specific template created by Sustainable Scotland Network (SSN) in association with the EAUC and Keep Scotland Beautiful. The College is committed to continually improve carbon reduction and monitors this annually with the review of the Carbon Management Plan and SSN reporting.

Dr Ken Thomson
Principal and Chief Executive
7 December 2017

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

Board of Management Report

Membership of the Board of Management

The Post 16 Education (Scotland) Act 2013 requires that the board of a regional College should consist of no fewer than 15, nor more than 18 members. The Board of Management members who held office during the year and up to the date of signing these financial statements were as follows:

Mr H Hall, Chair	Regional Chair	Resigned February 2017
Mr Ross Martin	Regional Chair	Appointed August 2017
Mrs A Mearns, Vice Chair	Senior Independent Member / Non-executive member	Re-appointed March 2017
Dr K Thomson	Principal	
Mr C Alexander	Non-Executive member	Re-appointed March 2017
Mrs F Campbell	Non-Executive member	Re-appointed March 2017
Mr A Carver	Non-Executive member	Re-appointed March 2017
Ms T Craggs	Non-Executive member	Appointed November 2016
Ms L Dougall	Non-Executive member	
Mr D Flynn	Non-Executive member	Appointed November 2016
Ms B Hamilton	Non- Executive member	Re-appointed March 2017
Mrs C Jack	Non-Executive member	
Mr L McCabe	Non-Executive member	
Mr K Richardson	Non-Executive member	
Mr S Tolson	Non-Executive member	
Ms A Winchester	Non-Executive member	Resigned November 2016
Mr A Buchan	Student	
Ms Amy Scobbie	Student	Elected June 2017
Ms Karen Williams	Student	Resigned December 2016
Ms Pamela Duncan	Staff	Elected August 2016
Mr S Harrison	Staff	Elected August 2016

Membership of the Senior Management Team

The SMT is responsible for the day to day management of Forth Valley College's activities and operations and consists of:

Dr K Thomson	Principal
Mr D Allison	Associate Principal & Executive Director Information Services
Mrs F Brown	Associate Principal and Executive Director Curriculum & Quality
Mr T Gorman	Associate Principal and Executive Director Estates Development
Mr A Lawson	Associate Principal and Executive Director HR & Organisational Development
Mrs A Stewart	Associate Principal and Executive Director Finance
Mrs C Walker (to April 2017)	Associate Principal and Executive Director Business Development

Conflicts of Interest procedures

Forth Valley College has comprehensive procedures for dealing with potential conflicts of interest. These include holding, and updating at least annually, a Register of Board Members Interests. The register is available to any member of the public who wishes to examine it and is available on the college website, <http://www.forthvalley.ac.uk>. Interests that must be registered, in terms of the name and nature of the

organisation in which the interest is held, include: remuneration, related undertakings, contracts, houses, land and buildings, shares and securities, and non-financial interests. Declarations by Board members of any conflicts of interest are recorded in the minutes of the appropriate Board meetings.

Personal data related incidents

Section 417 of the Companies Act 2006 requires that organisations report on personal data related incidents. In 2016/17, the College had no reported personal data incidents.

Dr Ken Thomson
Principal and Chief Executive
7 December 2017

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Statement of The Board of Management's Responsibilities

The Board of Management are required to present audited financial statements for each financial period.

In accordance with the Further and Higher Education (Scotland) Act 1992 and 2005, the Board of Management is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial period.

The Board of Management is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the Further and Higher Education (Scotland) Act 1992, the 2015 Statement of Recommended Practice - Accounting for Further and Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the College's Board of Management, the Board of Management, through its designated office holder, is required to prepare financial statements for each financial period which give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that period. These financial statements comply with the Accounts Direction issued by the Scottish Funding Council.

In preparing the financial statements, the Board of Management has ensured that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Institution will continue in operation. The Board of Management is satisfied that it has adequate resources to continue in operation for the foreseeable future: for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Management has taken reasonable steps to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the College and prevent and detect fraud
- secure the economical, efficient and effective management of the College's resources and expenditure
- ensure sound corporate governance and proper conduct of the College's operations.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Management
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Finance Committee
- a professional internal audit team whose annual programme is approved by the Audit Committee and endorsed by the Board of Management and whose head provides the Board of Management with a report on internal audit activity within the College and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

In October 2010, the UK Office for National Statistics (ONS) decided to reclassify incorporated further education colleges throughout the UK so that they would be treated as part of central government for financial budgeting and reporting purposes. The UK ONS's reclassification decision is the consequence of the current level of Ministerial control and does not relate to the plans for improved governance that feature in the Post-16 Education (Scotland) Act 2013.

The implications of this are material and impact upon the ability of the College to generate and retain income, to generate and retain surpluses (reserves), to protect and use existing reserves, and to access capital funding and commercial borrowing. The use of Arm's Length Foundations on a sector wide basis to shelter on-going College reserves was approved by Scottish Government Ministers. Forth Valley College Foundation was incorporated in December 2013 and has been awarded charitable status from the Office of the Scottish Charity Regulator (OSCR).

Auditor

The Auditor General for Scotland has appointed Ernst & Young to undertake the audit for the year ended 31 July 2017.

Disclosure of information to auditors

The Board members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each Board member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the Board on 7 December 2017 and signed on its behalf by:

Ross Martin
Chair

Governance Statement

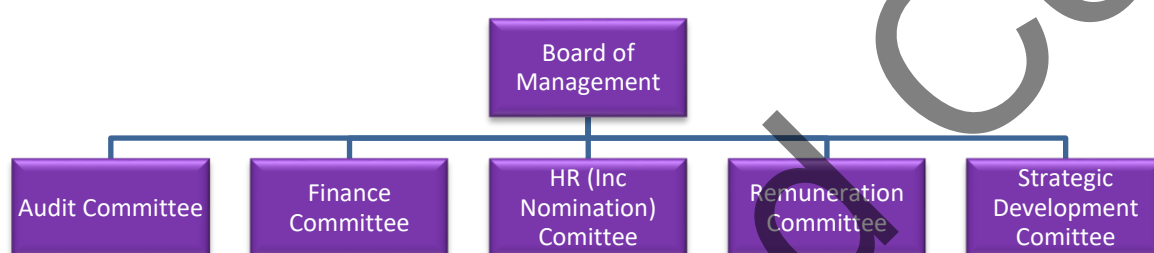
Introduction

The College is committed to exhibiting best practice in all areas of corporate governance. This summary describes the manner in which the College has applied the principles in the Code of Good Governance for Scotland's Colleges.

This governance statement is designed to supplement the information provided in the financial statements. It sets out the governance structures, risk management and internal control processes that have been operating in Forth Valley College in the year to 31 July 2017 and reports the Board's assessment of the effectiveness of these arrangements.

Governance Structure

The College has a robust and effective Board and Committee structure in place.



Additionally, in recognition of the significant developments as the Falkirk Campus Project Board progresses towards the realisation of the new Falkirk Headquarters Campus, an additional committee has been established. While the Falkirk Campus Project Board is separate from the main Board of Management structure, three non-executive Board Members serve on this Board to ensure adequate representation from the main Board of Management.

Board of Management Committees

Audit Committee

The committee met on three occasions. Its role is to contribute to good governance by providing assistance to the Board of Management on issues of compliance, risk, financial probity and the overall effectiveness of internal College control systems. The internal and external auditors normally attend meetings.

Finance Committee

The committee met on three occasions during the period. Its role is to contribute to good governance by providing independent advice to the Board of Management on the financial management of the College, providing a strategic overview of the College's financial direction while ensuring a position of financial security and that all relevant audit and legislative requirements are met.

HR Committee (Inc. Nomination Committee)

The committee met on three occasions and advises on HR strategy (including industrial relations matters), oversees the Board's health & safety responsibilities, monitors the Board's equal opportunities aspirations, and oversees the Board nominations process.

Remuneration Committee

The committee met once during this period. Its role is to provide good governance advice and assistance to the Board of Management on the remuneration of senior College staff, considering sectoral guidance and maintaining comparability with relevant external bodies.

Strategic Development Committee

The committee met on four occasions. Its role is to contribute to good governance by providing assistance to the Board of Management on the strategic direction of the College, to act as the primary linkage between the Board of Management and the Student Union Executive, and to consider matters relating to the interests of learners in the College.

Board of Management Members

Hugh Hall resigned as chair on 28 February 2017. Scottish Government approved the appointment of the vice-chair as acting chair until Scottish Ministers undertook a recruitment exercise to appoint a new Chair of the Board. Ross Martin was appointed as Chair on 1 August 2017.

During 2016/17 one non-executive Board member resigned and a recruitment process in line with the 2014 Ministerial guidance was undertaken. Following this process, the recommendations of the Board of Management were communicated to Scottish Ministers who approved the recommendation. This also resulted in the College maintaining, for the non-executive positions available, a 50-50 gender balance.

During the year 5 non-executive members became eligible for re-appointment. The Board approved the proposed re-appointments and sought Ministerial approval which was granted.

Membership now consists of 18 members as follows:

- Chair
- 12 Independent Non-executive members
- 2 Student Members
- 2 Staff Members
- Principal

There is a clear differentiation in the roles of the Chair of the Board and that of the Principal. Matters reserved to the Board of Management are set out in the Standing Orders and Operating Guidelines, the Scheme of Delegation, and under the Financial Memorandum with the Scottish Funding Council. The Board of Management is responsible for the on-going strategic direction of the College, approval of major developments and the approval of annual budgets.

Members of the Board have a collective responsibility for the proper conduct of the College's affairs. Members have full and timely access to all relevant information to enable them to perform their roles effectively. Members' roles and responsibilities are described in the Code of Good Governance for Scotland's Colleges and the Guide for Board Members in the College Sector.

Board Effectiveness

The Board of Management has adopted the Code of Good Governance for Scotland's Colleges. The code outlines the activity to be undertaken by a Board. The Board of Management has an effective mix of skills in place, supplemented by a comprehensive induction process which is further enhanced by Board training activities such as the provision of equalities training.

There are self-evaluation processes, led by the Chair and an evaluation process for the activity of the Chair led by the Vice-Chair. These offer a mechanism for members to feedback on their perceptions of the Board, their contribution and any future training needs.

An externally conducted effectiveness review was undertaken in December 2016, with the outcome being considered by the Board and then the report was published on the College's website.

Attendance

The Board of Management normally meets formally four times per year and has a number of committees which are formally constituted with terms of reference. During 2016/17 one meeting of the Audit Committee and one meeting of the Finance Committee were cancelled.

	Status	Date of Appointment/Re-Appointment	Date of Retiral/Resignation (If Applicable)	Board of Management (Three Meetings)	Audit Committee (Three Meetings)	Finance Committee (Three Meetings)	HR (Inc. Nomination) Committee (Three Meetings)	Remuneration Committee (One Meeting)	Strategic Development Committee (Four Meetings)
Number of Meetings				4	3	3	3	1	4
Mr H Hall, Chair	Regional Chair	03/03/14	28/02/17	2				1	
Mr Ross Martin	Regional Chair	01/08/17							
Mrs A Mearns, Vice Chair	Senior Independent Member/ Non-Exec	26/03/17		3			3	1	4
Dr K Thomson	Principal	01/08/13		3					
Mr C Alexander	Non-Exec	26/03/17		2	2				
Mrs F Campbell	Non-Exec	26/03/17		4			3		3
Mr A Carver	Non-Exec	26/03/17		2		2			1
Mrs T Craggs	Non-Exec	06/12/16		3	1	1			
Ms L Dougall	Non-Exec	26/03/15		4	3			1	3
Mr D Flynn	Non-Exec	06/12/16		1			2		1
Ms B Hamilton	Non-Exec	26/03/17		3	1		3	1	
Mrs C Jack	Non-Exec	02/03/15		2		3			2
Mr L McCabe	Non-Exec	02/03/15		4		3		1	2
Mr K Richardson	Non-Exec	02/03/15		2		1			
Mr S Tolson	Non-Exec	26/03/15		2			1		
Ms A Winchester	Non-Exec	26/03/15	06/11/16	1	1				
Mr A Buchan	Student	12/06/17		3					4
Ms A Scobbie	Student	12/06/17							
Ms K Williams	Student	26/06/16	14/12/16	1					1
Mrs P Duncan	Staff	05/09/16		4		3			
Mr S Harrison	Staff	05/09/16		3					3

Assessment of corporate governance

In the opinion of the Board of Management, we can confirm that corporate governance has been exercised throughout the period in accordance with the principles of the Code of Good Governance for Scotland's Colleges, the Scottish Public Finance Manual (SPFM) and the Financial Memorandum.

One exception to this is in relation to the role of a Secretary to the Board. The Code of Good Governance states; "The board secretary may be a member of the senior management team in their board secretary capacity, but they cannot hold any other senior management team position at the same time".

The Board of Management recognises the importance of the Board Secretary being able to report directly to the Chair independently of the Principal in order to prevent any conflicts of interests, however believe that this can be achieved without the requirement to appoint a Board Secretary without other Senior Management Team responsibilities. The Board of Management have appointed the Associate Principal and Executive Director of Finance as Secretary to the Board along with the Corporate Governance & Planning Officer as Deputy Secretary to the Board, both of whom will report directly to the Chair in relation to the Board Secretary duties. The Board of Management believes any risk of non-disclosure or non-compliance not being reported to the Board of Management due to a conflict of interest is mitigated by the appointment of two individuals with direct reporting to the Chair. The Board of Management considers that governance is strengthened rather than weakened by the Associate Principal and Executive Director of Finance having a dual role within the Senior Management Team. This arrangement is not unusual in either the public or the private sector, indeed a similar practice is adopted by the Scottish Funding Council.

Estates Strategy

The Forth Valley College agreed Estates strategy comprises a vision for three new campuses. The first in Alloa, the second in Stirling and a third in Falkirk. A significant investment has already taken place in phases 1 and 2 of this strategy with Alloa and Stirling successfully completing on programme and within budget in 2011 and 2012 respectively. The new Falkirk Campus is planned to open in October 2019.

Significant progress has been made toward the realisation of the new Falkirk campus, with the approval of the Full Business Case in November 2016 and the submission of the final Decision Point 4 report to the Scottish Funding Council and Scottish Government, with approval received on 4 October 2017. Following this approval, the appointment of the main contractor Balfour Beatty occurred on 11 October 2017.

The new campus plans include servicing the current Falkirk Campus curriculum and will accommodate over 11,000 students of which almost 2,000 will be full time. The proposed New Falkirk Campus will be located on the cleared 10.87 acre Middlefield Campus site and an additional section of land (4.8 acres) to the East of this. The new facility will be 20,720 sqm and will incorporate state of the art and flexible teaching accommodation, as well as low carbon initiatives, such as Photovoltaics, a Ground Source Heat Pump system, Combined Heat and Power boilers, along with other sustainable functions required to meet the Building Research Establishment Environmental Assessment Method (BREEAM) standard.

Risk Management

The Board of Management has overall responsibility for ensuring the effective identification, mitigation and monitoring of strategic risks within the College. The Audit Committee has delegated authority from the Board of Management to approve the Risk Management Policy and to review regular reports from the College Senior Management Team regarding risk.

The College operates a Strategic Risk register which identifies the most significant risks to the College. This register is taken to every meeting of the Audit Committee for comment and challenge. It is also provided annually to the Board of Management.

The Principal is responsible for the maintenance of the College strategic risk register and for ensuring appropriate risk mitigation actions are implemented to address significant risks to College operations and strategic objectives. Senior Management Team members are responsible for establishing controls to mitigate identified risks wherever possible. This information is included on the Strategic Risk Register in summary form.

Risk Management is embedded in the operations of the College. The identification and mitigation of risk is a component in all decision making and is a standing item at all Senior Management Team, Board Committee and Board of Management meetings. The College also operates a risk management system whereby areas of significant

risk to the College have their own specific risk register. It is under this approach that an estates risk register was established to support the Falkirk campus project.

Delegation of responsibility for managing the key risks in the risk registers is essential if risk management is to be effective. The risk registers, therefore identify “owners” for each risk.

Internal Audit

The College has an internal audit service, the work of which concentrates on areas of key activities determined by an analysis of the areas of greatest risk, input from Senior Management Team and areas of significant change to operational systems/practices and in accordance with the annual internal audit plan approved by the Audit Committee. The internal auditors report to the Principal and to the Audit Committee on a regular basis and have direct access to the Chair of the Audit Committee. The internal auditors have issued an annual report which gives an opinion of the adequacy, reliability and effectiveness of the College’s internal control systems. On the basis of the work undertaken during the period the auditors have expressed an opinion that the College has a framework of controls in place that provides reasonable assurance regarding the effective and efficient achievement of objectives and the management of key risks and proper arrangements are in place to promote value for money and deliver best value.

Internal Control

The Board of Management is aware of the need for effective internal control and acknowledges its responsibility for such a control system to be in place. The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal control is based on a framework of regular management information, financial regulations and administrative procedures.

In particular it includes:

- comprehensive budgeting systems with an annual budget approved by the Board of Management
- regular reviews by the Finance Committee of quarterly and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and non-financial performance.

Assessment of the effectiveness of internal controls

The Board of Management is of the view that there is an on-going process for identifying, evaluating and managing the College’s significant risks. This process is reviewed by the Board of Management through the Audit Committee. A formal Business Continuity Plan is maintained within the College.

For the period to 31 July 2017, the Internal Auditors reported completion of all reviews in the Audit Plan except for a Risk Workshop which was held in October 2017. Internal Audit was of the opinion that the College has a framework of controls in place that provides reasonable assurance regarding the effective and efficient achievement of objectives and the management of key risks and proper arrangements are in place to promote value for money and deliver best value.

The external auditors have given an unqualified audit opinion on the accounts for the period to 31 July 2017 and on the regularity of transactions reflected in the accounts. No further significant issues have been identified as part of their audit process.

On the basis of the assurances provided from the sources of assurance outlined above, I can confirm that sound systems of governance, risk management and internal control, consistent with the requirements of the SPFM, have operated for the period ended 31 July 2017 and up to the date of approval of the annual report and financial statements.

Going Concern

The Board of Management believes that pension liabilities resulting in a net liability in the Balance Sheet can be met as these fall due from future funding. The Board of Management has no reason to believe that future support from Scottish Funding Council will not be forthcoming and on that basis these financial statements have been prepared on a going concern basis.

Approved by order of the members of the Board on 7 December 2017 and signed on its behalf by:

Ross Martin

Chair

Dr Ken Thomson

Principal and Chief Executive

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REMUNERATION AND STAFF REPORT

Remuneration Report

This report outlines the remuneration policy of Forth Valley College for the Board of Management and the Senior Management Team (SMT), and provides details of members remuneration for the year ended 31 July 2017.

Board of Management

Forth Valley College Board Members, with the exception of the Principal and Chief Executive Officer, are appointed for a fixed period, normally, four years. With the exception of the Principal and Chief Executive Officer and elected staff representatives, these members do not have contracts of service with Forth Valley College.

In February 2017, Hugh Hall resigned his position as Chair of the Board of Management. A new Chair, Ross Martin, was appointed in August 2017 by Scottish Ministers. The level of remuneration for the Chair is set by Scottish Government who informs Forth Valley College on an annual basis of any increase to be awarded.

Senior Management Team

The SMT is responsible for the day to day management of Forth Valley College's activities and operations. The Principal and Chief Executive Officer, Ken Thomson, is a member of both the Board and the SMT.

The Principal and Chief Executive Officer and other SMT members are on standard Forth Valley College contracts of employment. Their contracts provide for a notice period of 3 months. For 2016/17 there was no bonus scheme in operation in Forth Valley College.

If an SMT member's employment with Forth Valley College is terminated on the grounds of redundancy or in the interests of the efficiency of the organisation, severance payments will apply based on age and on length of service and are subject to approval by the Scottish Funding Council. This basis is identical to that applied for all other employees.

In April 2017, the Associate Principal and Executive Director Business Development left her post. Following consideration, it was decided not to fill this vacancy within the Senior Management Team, realising a saving for the College.

Remuneration Committee

The Remuneration Committee determines the policy for the remuneration of the members of the SMT, including the Principal and Chief Executive Officer and other such members of the management team as it is designated by Forth Valley College to consider. This policy is set within the context of the applicable Government guidelines. With input from the Chair and Principal and Chief Executive Officer it determines the total individual remuneration package of members of the SMT.

The membership of the Remuneration Committee is made up of the Chair of the Board of Management plus the Chairs of each of the Board Sub Committees. All members have completed the mandatory online College Development Network Remuneration Committee training.

Senior Management Team Remuneration

As part of Forth Valley College's performance management system, each SMT member agrees with the Principal and Chief Executive Officer their personal performance objectives.

Forth Valley College aims to ensure that the remuneration packages offered to SMT:

- enable Forth Valley College to attract, retain and motivate high calibre leaders
- remunerate individuals fairly for individual responsibility and contribution
- take account of salary policy within the rest of Forth Valley College and the relationship that should exist between the remuneration of the Senior Management Team and that of other employees.

Basic salaries are reviewed annually from 1 August. Salary levels are established after taking into account external market levels and internal comparisons as well as individual responsibilities and performance. All senior posts are evaluated as part of our job evaluation process to ensure they reflect the responsibility and accountability of the role and are graded appropriately. The College's Job Evaluation system and processes are externally audited on an annual basis. Salary payments are made monthly.

SMT members are all members of either the Scottish Teachers' Superannuation Scheme (STSS) or the Local Government Pension Scheme (LGPS). As ordinary members, they contribute a rate of pensionable salary dependant on salary. In the financial period being reported the rates were between 9.2% to 12% and Forth Valley College contributed 17.2% of the employees' pensionable salary to the SPPA and 17.9% to the LGPS along with an additional flat fee for past pension costs. These schemes are defined benefit schemes. The LGPS scheme provides benefits at a normal retirement age of 65 for all LGPS benefits paid prior to 1 April 2015. For all LGPS benefits paid after 1 April 2015 and for STSS, benefits are provided at the state pension age. The pension benefits consist of an annual pension, based on a final pensionable salary calculation up to 31 March 2015 and a career average pensionable salary with effect from 1 April 2015. For members who joined before 1 April 2007 for STSS and 1 April 2009 for LGPS a tax free lump sum will be paid automatically.

Remuneration of the Principal and other Senior Management Team who served during the year to 31 July 2017, including salary, pension benefits and other allowances was:

	Year Ended 31 July 2017			Year Ended 31 July 2016		
	Salary	Pension Benefit	Total	Salary	Pension Benefit	Total
	£000	£000	£000	£000	£000	£000
Ken Thomson	120 - 125	80 - 85	205 - 210	115 - 120	55 - 60	170 - 175
Andy Lawson	100 - 105	55 - 60	160 - 165	95 - 100	35 - 40	135 - 140
Tom Gorman	95 - 100	50 - 55	145 - 150	90 - 95	50 - 55	140 - 145
Alison Stewart	85 - 90	50 - 55	135 - 140	80 - 85	30 - 35	110 - 115
David Allison	80 - 85	75 - 80	155 - 160	75 - 80	35 - 40	110 - 115
Colette Walker	65 - 70	10 - 15	75 - 80	75 - 80	30 - 35	110 - 115
Fiona Brown	70 - 75	50 - 55	125 - 130	65 - 70	25 - 30	95 - 100

Salary

Salary information includes gross salary, overtime and allowances to the extent that they are subject to UK taxation. This report is based on accrued payments made by the College and thus recorded in these accounts.

Chair Remuneration

For the year to July 2017 the Chairman was entitled to claim remuneration of £200 for every 7.5 hours up to a maximum total fee of £20,800. The Chair is not entitled to a pension in respect of their office.

Median Pay Multiples

The relationship between the remuneration of the highest paid member of the Senior Management Team and the median remuneration of the employees of Forth Valley College is as follows:

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£	£
Annualised remuneration of the highest paid member of the Senior Management Team	123,792	116,115
Median Remuneration of Forth Valley College Employees	33,894	30,042
Remuneration Ratio	1 : 3.65	1 : 3.87

The median remuneration of Forth Valley College's employees is based upon the annualised full-time equivalent salary of the employees at 31 July.

Including severance payments, no employee (2016: no employee) received remuneration in excess of the highest paid member of the Senior Management Team.

Pension Benefits

Pension benefits are provided to the Senior Management Team on the same basis as all other staff. The accrued retirement benefits of the Senior Management Team for the year to 31 July 2017 are:

	Accrued Pension at pension age as at 31 July 2017 and related lump sum	Real increase in Pension and related lump sum at pension age	Cash Equivalent Transfer Value		
			At 31 July 2017	At 31 July 2016	Increase net of members contributions
	£000	£000	£000	£000	£000
Ken Thomson	45 - 50 plus lump sum of 145 - 150	2.5 - 5.0 plus lump sum of 12.5 - 15	1,050	932	102
Andy Lawson	30 - 35 plus lump sum of 100 - 105	2.5 - 5.0 plus lump sum of 7.5 - 10.0	826	748	66
Tom Gorman	15 - 20 plus lump sum of 20 - 25	2.5 - 5.0 plus lump sum of 0 - 2.5	389	334	46
Alison Stewart	10 - 15 plus lump sum of 0 - 5	2.5 - 5.0 plus lump sum of 0 - 2.5	167	135	24
David Allison	25 - 30 plus lump sum of 50 - 55	2.5 - 5.0 plus lump sum of 2.5 - 5.0	439	387	44
Colette Walker	0 - 5 plus lump sum of 0 - 5	0 - 2.5 plus lump sum of 0 - 2.5	54	37	11
Fiona Brown	20 - 25 plus lump sum of 60 - 65	2.5 - 5.0 plus lump sum of 7.5 - 10.0	477	405	64

The cash equivalent transfer value is the actuarially assessed value of the retirement scheme benefits accrued by a member at a point in time. The value of the accrued pension benefits has been calculated on the basis of the age

at which the person will first become entitled to receive pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlements into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service and not just their current appointment.

In considering the accrued pension benefits figure the following contextual information should be taken into account:

- the figures for pension lump sum are illustrative only in light of the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement
- the accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period of time.

Real Increases in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff Report

As at 31 July 2017 there were 625 staff in post. The split across gender and business area is detailed in the table below.

Employees	Male	Female	Total
Senior Management Team	4	2	6
Heads of Teaching / Service	7	8	15
Academic Staff	149	142	291
Support Staff	113	200	313
	<u>273</u>	<u>352</u>	<u>625</u>

The following table shows the number of inward seconded and agency staff employed by the College during the year:

	Year Ended 31 July 2017	Year Ended 31 July 2017	Year Ended 31 July 2017	Period Ended 31 July 2016
Seconded and Agency Staff	Inward secondees	Agency staff	inward secondees and agency staff	Total of inward secondees and agency staff
	£000	£000	£000	£000
Total costs	91	89	180	135
Number of staff				
Academic/ Teaching Departments & Services	2	2	2	2
Administration and Central Services	<u>2</u>	<u>12</u>	<u>14</u>	<u>10</u>
	<u>2</u>	<u>14</u>	<u>16</u>	<u>12</u>

Attendance Management

Although the College recognises that employees need to be properly supported during absences, our priority is to meet our operational objectives. As a result, we take distinct steps to balance the needs of the individual with the needs of the organisation to effectively manage sickness absence. To achieve this balance, working with our

Occupational Health advisors, we take a positive and pro-active approach to attendance management. We also offer a range of services that staff can access to help them with their own wellbeing.

These include:

- advising all employees and line managers of their roles and responsibilities in managing absence through appropriate training, guidance and support
- monitoring and analysing absence and providing useful Management Information
- supporting employees with regular short-term absence to improve their level of attendance
- assisting employees on long-term absence to return to work successfully via individually tailored return to work plans
- allowing staff to self-refer to our Occupational Health Advisor on a confidential basis
- offering sessions to staff to help them with their own wellbeing at work, including those on managing stress or mindfulness
- providing access to a confidential Employee Assistance scheme to provide advice or counselling when dealing with issues of a personal, financial or legal matter.

In 2016/17, an average of 8 days (including leavers) was lost per staff member compared to 9.87 days from 2015/16. The 2016/17 average equates to 3% overall absence rate for the year.

Equality, Diversity and Inclusion

FVC is committed to ensuring that all staff and students can work or study in an environment that is free from discrimination, harassment and victimisation and that everyone can progress equally.

We are guided by the Equality Act 2010 which sets out our responsibilities to:

- eliminate discrimination, harassment and victimisation
- advance equality of opportunity
- promote good relations

This is important for all staff and students. In particular, we ensure equality in regards to protected characteristics.

We comply with the Equality Act by demonstrating our activities through a range of reports and information: Equality Mainstreaming report; Equality Outcomes progress report; Equalities Policy and Gender Pay Gap & Equal Pay information. We are committed to achieving our Equality Outcomes and strive to embed actions for equality in our strategic and operational planning processes.

FVC also now has an Access and Inclusion Strategy, part of our current Regional Outcome Agreement with the Scottish Funding Council. This outlines our broad range of support available for students and identifies areas for enhancement. In July 2017, we also published our three-year Gender Action Plan, which outlined our aims in relation to gender representation in College programmes. SFC will monitor these and implementation plans will be in place for AY 2017/18 to devolve responsibility for the actions across College.

The reports outlined above are at: <https://www.forthvalley.ac.uk/about-us/equality-diversity/>

Compensation for loss of office

No compensation was paid during 2016/17.

Dr Ken Thomson
Principal and Chief Executive
7 December 2017

AUDIT REPORT

Independent auditor's report to the members of the Board of Management of Forth Valley College, the Auditor General for Scotland and the Scottish Parliament

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Forth Valley College for the year ended 31 July 2017 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, and Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the college's affairs as at 31 July 2017 and of its deficit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the college has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report to the members of the Board of Management of Forth Valley College, the Auditor General for Scotland and the Scottish Parliament (continued)

Responsibilities of the Board of Management for the financial statements

As explained more fully in the Statement of the Board of Management's Responsibilities, the Board of Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management is responsible for assessing the college's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other information in the annual report and accounts

The Board of Management is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements in accordance with ISAs (UK), our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Board of Management is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Independent auditor's report to the members of the Board of Management of Forth Valley College, the Auditor General for Scotland and the Scottish Parliament (continued)

Report on other requirements

Opinions on other prescribed matters

We are required by the Auditor General for Scotland to express an opinion on the following matters.

In our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

In our opinion, based on the work undertaken in the course of the audit

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the college and its environment obtained in the course of the audit, we have not identified material misstatements in the Performance Report or Governance Statement.

We are required by The Charities Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

- adequate accounting records have not been kept, or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records, or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Stephen Reid, (for and on behalf of Ernst & Young LLP)

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EB
7 December 2017

Ernst & Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS

Statement of Comprehensive Income for the year ended 31 July 2017¹

INCOME	Note	Year Ended 31 July 2017 £000	Year Ended 31 July 2016 £000
Scottish Funding Council grants	2	23,809	23,188
Tuition fees and education contracts	3	7,746	8,214
Other grant income	4	2,082	281
Other operating income	5	1,251	1,455
Investment income	6	6	14
Donation from FVC Foundation	4	131	370
Total Income		35,025	33,522
EXPENDITURE			
Staff costs	8	23,864	23,467
Pension provision charge	10	384	547
Other operating expenses	11	6,236	6,543
Estates Development Costs		1,805	1,739
Depreciation (including impairment)	15	2,566	2,194
Interest and other finance costs	12	333	1,117
Donation to FVC Foundation	13	579	0
Total Expenditure		35,767	35,607
Deficit before other comprehensive income		(742)	(2,085)
Other comprehensive income			
Actuarial loss in respect of pension scheme		(1,322)	(2,498)
Unrealised deficit on revaluation of land and buildings	15	(12,768)	(1,650)
Total comprehensive income for the year		(14,832)	(6,233)
Represented by:			
Unrestricted comprehensive income for the year		(1,562)	(4,081)
Revaluation reserve comprehensive income for the year		(13,270)	(2,152)
		(14,832)	(6,233)

All items of income and expenditure are in respect of continuing activities.

¹ The Statement of Comprehensive Income is prepared under the FE/HE SORP. Colleges are also subject to Central Government accounting rules but the FE/HE SORP does not permit colleges to include Government non-cash allocations for depreciation in the Statement of Comprehensive Income. Note 36 provides details of the adjusted operating position on a Central Government accounting basis.

Statement of Changes in Reserves for the year ended 31 July 2017

	Income and expenditure account Unrestricted	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2015	(17,076)	20,715	3,639
Deficit from the income and expenditure statement	(2,085)	0	(2,085)
Other comprehensive income	(2,498)	(1,650)	(4,148)
Transfers between revaluation and income and expenditure reserve	502	(502)	0
Total comprehensive income for the period	(4,081)	(2,152)	(6,233)
Balance at 1 August 2016	(21,158)	18,563	(2,595)
Deficit from the income and expenditure statement	(742)	0	(742)
Other comprehensive income	(1,322)	(12,768)	(14,090)
Transfers between revaluation and income and expenditure reserve	502	(502)	0
Total comprehensive income for the year	(1,562)	(13,270)	(14,832)
Balance at 31 July 2017	(22,720)	5,293	(17,427)

Balance Sheet as at 31 July 2017

	Note	As at 31 July 2017 £000	As at 31 July 2016 £000
Non Current Assets			
Tangible fixed assets	15	43,722	57,405
Current assets			
Stocks		25	30
Trade debtors and other receivables	16	1,703	1,620
Cash at bank and in hand	21	2,610	926
Total current assets		4,338	2,576
Less: Creditors - amounts falling due within one year	17	5,735	3,936
Net current liabilities		(1,397)	(1,360)
Total assets less current liabilities		42,325	56,045
Creditors - amounts falling due after more than one year	18	33,220	34,519
Provisions			
STSS early retirement provision	19	7,305	7,317
LGPS pension provision	19, 23	19,227	16,804
		26,532	24,121
Total Net Liabilities		(17,427)	(2,595)
Unrestricted Reserves			
Income and expenditure reserve - unrestricted		(22,720)	(21,158)
Revaluation reserve		5,293	18,563
Total Reserves		(17,427)	(2,595)

The financial statements on pages 33 to 53 were approved by the Board of Management on 7 December 2017 and were signed on its behalf on that date by:

Ross Martin
Chairman

Dr Ken Thomson
Principal and Chief Executive

Cash Flow Statement for the year ended 31 July 2017

	Note	Year Ended 31 July 2017 £000	Year Ended 31 July 2016 £000
Cash flow from operating activities			
Deficit for the year		(742)	(2,085)
Adjustment for non-cash items			
Depreciation	15	2,566	2,194
Decrease/(Increase) in stock		5	(3)
Increase in debtors	16	(83)	(211)
Increase/(Decrease) in creditors	17, 18	1,748	(324)
(Decrease)/Increase in pension provision	19	(12)	148
Pension Costs	23	689	399
Adjustment for investing or financing activities			
Investment income	6	(6)	(14)
Interest payable	12	333	1,117
Capital grant income	2	(1,530)	(1,586)
Net cash inflow/(outflow) from operating activities		2,968	(365)
Cash flows from investing activities			
Capital grants receipts		690	155
Investment income	6	6	14
Payments made to acquire fixed assets	15	(1,651)	(155)
		(955)	14
Cash flows from financing activities			
Interest paid	12	(178)	(186)
Repayments of amounts borrowed		(151)	(146)
		(329)	(332)
Increase/(Decrease) in cash and cash equivalents in the year			
		1,684	(683)
Cash and cash equivalents at beginning of the year		926	1,609
Cash and cash equivalents at end of the year		2,610	926

Notes to the Financial Statements

1. Statement of Principal Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice (SORP) 2015: 'Accounting for Further and Higher Education'; the Financial Reporting Standards FRS 102 and the 2015/16 Government Financial Reporting Model (FRM) issued by the Scottish Government and in accordance with applicable Accounting Standards. They conform to the Accounts Direction and other guidance issued by the Scottish Funding Council.

Basis of accounting

The financial statements are prepared under the historical cost convention, modified by the revaluation of certain fixed assets.

The financial statements do not include the income and expenditure of the Students' Union as the College does not exert control or dominant influence over policy decisions.

Going Concern

The Board of Forth Valley College has no reason to believe that future funding will not be forthcoming. It has accordingly been considered appropriate to adopt a going-concern basis for the preparation of these financial statements.

FRS 102

The accounts have been prepared incorporating the requirements of the accounting standard FRS 102.

Recognition of income

Income

Income from grants, contracts and other services rendered is included in proportion to the extent of completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Recurrent grants from the Scottish Funding Council (SFC) are recognised in the period in which they are receivable.

Grant Funding

Government revenue grants including Funding Council block grants are recognised in income over the periods in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Capital Grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

Tangible fixed assets

In line with FReM all tangible assets must be carried at fair value.

Land and Buildings

Land and buildings are measured using the revaluation model and accordingly, assets are revalued to fair value. Where appropriate Depreciated Replacement cost has been used as a measure of fair value for land and buildings otherwise Market Value will be used. The land at Branshill, Alloa and the Middlefield site have been valued on the basis of Open Market value.

The College has a policy of ensuring a full revaluation takes place at least every 5 years such that the fair value is not materially different to the current value. In line with the FReM this will be supplemented by an interim professional valuation in year 3. Depreciation and impairment losses are subsequently charged on the revalued amount.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

If a building is brought into use mid-way through a year the depreciation charge in the first year will be pro-rated to reflect the number of months that the asset was in use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs and are not depreciated until they are brought into use.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives. The expected useful life of buildings can vary from 20 to 50 years as determined by professional opinion and valuation.

Equipment

Equipment costing less than £10k per individual item or grouped items is written off to the Statement of Comprehensive Income in the year of acquisition. All other equipment and vehicles are capitalised and depreciated in accordance with the depreciation policy.

Depreciation

Depreciation is provided to write off the cost or valuation of tangible fixed assets on a straight-line basis over the expected useful lives of the assets. New build campuses at Alloa and Stirling are depreciated using a component accounting approach.

i) Buildings	20 - 50 years
ii) Plant & Equipment	5 years
iii) Building improvements	10 years
iv) IT Equipment	4 years
v) Motor vehicles	7 years
vi) Equipment acquired for other projects	project life
vii) Specialist Equipment acquired for Oil and Gas teaching	10 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Leased assets

Finance Leases

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. Assets held under finance leases are depreciated over their useful life.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

The lease rentals are treated as consisting of capital and interest. The capital element is applied to reduce the outstanding obligation and the interest element is charged to the Statement of Comprehensive Income in proportion to the reducing capital element outstanding.

Operating Leases

Leases not meeting the criteria of a finance lease are treated as an operating lease. Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Revaluation reserve

Surpluses arising on the revaluation of the College's properties are transferred to the revaluation reserve. Additional depreciation charged on the revalued amount of these assets is transferred from the revaluation reserve to the Income and Expenditure Account together with any surplus or deficit on disposal.

Stocks

Stock is held at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Cash and cash equivalents

Cash and cash equivalents include sums on short-term deposits with recognised banks, building societies and government securities.

Taxation

The College has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a Charity registered in Scotland. The College is recognised by HM Revenue & Customs as a charity for the purposes of section 505, Income and Corporation Taxes Act 1988 and is exempt from corporation tax on its charitable activities. The College receives no similar exemption in respect of Value Added Tax.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the College has a present or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

Agency arrangements

The College acts as an agent in the collection and payment of certain Student Support Funds. These funds are excluded from the College's Statement of Comprehensive Income, and movements have been disclosed in the notes to the accounts. Where the College has more discretion in the manner in which specific funds are disbursed, and those funds do not meet the definition of agency funds, the income and expenditure relating to those funds are shown in the College's Statement of Comprehensive Income.

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the year-end rates. The resulting exchange differences are dealt with in the determination of income and expenditure.

Employment Benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Retirement benefits

The two principal pension schemes for the College are the Local Government Pension Scheme (LGPS) and the Scottish Teachers' Superannuation Scheme (STSS).

Local Government Pension Scheme (LGPS)

The LGPS is a pension scheme providing benefits based on final pensionable pay, prior to 1 April 2015 and a career average scheme from 1 April 2015. The assets and liabilities of the scheme are held separately from those of the College. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Contributions to the Scheme are calculated so as to spread the cost of pensions over employees' working lives with the College. The contributions are determined by an actuary on the basis of triennial valuations using the Projected Unit Method. Variations from regular cost are spread over the expected average remaining working lifetime of members of the scheme, after making allowances for future withdrawals. The amount charged to the Statement of Comprehensive Income represents the service cost expected to arise from employee service in the current year.

Scottish Teachers' Superannuation Scheme (STSS)

The College participates in the STSS pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the College. The College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the year.

Pension Provision

The College has made provision for the enhanced pensions, payable to former employees who have taken early retirement, for which it is liable. This provision is calculated based on the actuarial tables which take account of the enhancement payable, the age, sex and marital status of the former employee. The annual cost of the enhancement is funded from the provision. The provision is made in accordance with FRS 102 and any movements are adjusted through the Statement of Comprehensive Income.

Derivatives

Derivatives are held on the balance sheet at fair value with movements in fair value recorded in the Surplus or Deficit.

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of interest rate swap contracts are determined by calculating the present value of the estimated future cash flows based on observable yield curves.

Reserves

Reserves are classified as restricted or unrestricted. Restricted reserves include balances where the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
2 Scottish Funding grants		
FE recurrent grant (including fee waiver)	20,143	19,767
Childcare funds	552	646
SFC deferred income	1,530	1,586
Scottish Funding Council maintenance grant	961	393
Other Scottish Funding Council grants	623	796
Total	23,809	23,188
3 Tuition fees and education contracts		
Further education fees - UK & EU Students	114	130
Higher education fees	1,554	1,532
Skills Development Scotland Income	1,075	993
Education contracts	1,751	1,900
Other contracts	3,252	3,659
	7,746	8,214
4 Other grant income		
Forth Valley College Foundation	131	370
Other grants	2,082	281
Total	2,213	651
5 Other operating income		
Residences, catering and conferences	767	908
Other income-generating activities	95	93
Other income	389	454
Total	1,251	1,455
6 Investment income		
Other interest receivable	6	14
7 Donations		
There were no donations during 2016/17.		

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
8 Staff costs		
Salaries	18,408	18,614
Social security costs	1,744	1,485
Other pension costs (including FRS 102 adjustment of £689k); (2015/16: £399k)	3,712	3,368
Total	23,864	23,467
Academic/ Teaching Departments	14,420	14,330
Academic/ Teaching Services	3,252	3,156
Administration and Central Services	3,870	3,307
Premises	668	628
Other expenditure	443	356
Catering and Residences	356	411
Modern Apprentice Trainees	855	1,279
Total	23,864	23,467

Compensation for loss of office payable to a senior post-holder:

No senior post holder left office during the year.

The average number of full time equivalent employees, including higher paid employees, during the period was:

	No.	No.
Senior management	7	7
Academic/ Teaching Departments	267	262
Academic/ Teaching services, Admin and central services	246	232
Premises	12	13
Catering	18	18
Modern Apprentice Trainees	56	108
Total	606	640
Analysed as:		
Staff on permanent contracts	571	606
Staff on temporary contracts	35	34
	606	640

The number of staff, including senior post-holders and the Principal, having responsibility for planning, directing and controlling the activities of the College, and who received emoluments including benefits in kind where appropriate, excluding pension contributions, were as follows:

	2017	2017	2016	2016
	Senior post-holder No.	Other members of staff No.	Senior post-holder No.	Other members of staff No.
£50,001 to £60,000 per annum	0	8	0	8
£60,001 to £70,000 per annum	1	2	1	1
£70,001 to £80,000 per annum	1	0	2	0
£80,001 to £90,000 per annum	2	0	1	0
£90,001 to £100,000 per annum	1	0	2	0
£100,001 to £110,000 per annum	1	0	0	0
£110,001 to £120,000 per annum	0	0	1	0
£120,001 to £130,000 per annum	1	0	0	0

	Year Ended 31 July 2017	Year Ended 31 July 2016
9 Senior post-holders' emoluments	No.	No.

The number of senior post-holders that form the senior management team, including the Principal

7

7

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
Senior post-holders' emoluments are made up as follows:		
Salaries and benefits	634	611
Employer's Pension contributions	111	107
Total emoluments	745	718

The above emoluments include amounts payable to the Principal, the highest paid senior post-holder, of:

Salary	124	116
Benefits in kind	0	0
	<u>124</u>	<u>116</u>

Pension contributions	<u>21</u>	<u>20</u>
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The Principal and two other senior post-holders were members of the Scottish Public Pensions Agency and the other four senior post-holders were members of the Local Government Pension Scheme. All pension contributions were paid at the same rate as for other members of staff.

The Chair of the Board of Management was entitled to claim remuneration of £21k in the financial period, £19k of which was paid to Hugh Hall following his resignation in February 2017 and £2k was accrued for fees to the end of July 2017. Other members of the Board of Management, other than the Principal and staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
10 Pension Provision Charge		
Increase due to revaluation of pension liability	214	296
Interest	170	251
	<u>384</u>	<u>547</u>

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
11 Other operating expenses		
Teaching departments	1,518	1,676
Administration and central services	1,368	1,331
Premises costs	1,356	1,288
Planned maintenance	325	299
Other employee related costs	388	420
Agency staff costs	89	70
Other income generating activities	229	321
Residences, catering and conferences	412	491
Childcare	551	647
Total	6,236	6,543
Other operating costs include:		
Auditors' remuneration		
- external audit of the financial statements	32	26
- internal audit services	14	17
- external auditors other services	0	4
Hire machinery - operating leases	81	126
Hire of premises - operating leases	56	70
	183	243
12 Interest and other finance costs		
Loan interest	178	186
Decrease in fair value of derivatives	(257)	441
Pension finance costs (note 23)	412	490
Total	333	1,117
13 Forth Valley College Foundation		
Donation to Forth Valley College Foundation	579	0

14 Taxation

The Board does not consider that the College was liable for any corporation tax arising out of its activities during the period.

15 Tangible Fixed Assets

Land and buildings were revalued at 31 July 2015 by DM Hall, Chartered Surveyors, in the capacity of independent valuer and in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. As the majority of the College's buildings are specialised buildings, open market value is not an appropriate basis of valuation. Accordingly, Land and buildings are valued on the basis of depreciated replacement cost with the exception of the land at Branshill, Alloa and the Middlefield site at Falkirk, which are valued on the basis of Open Market value. Land is not depreciated and buildings are depreciated over their estimated life as identified by the valuer.

On 4 October 2017, final Ministerial approval was granted for the construction of the new Falkirk campus on the Middlefield site. Accordingly, a valuation was sought for the existing Falkirk campus on Grangemouth Road, which resulted in the buildings being impaired by £13.2m, £12.8m of which was covered by the revaluation reserve and £0.4m charged to the Statement of Comprehensive Income for 2016/17.

	Land and Buildings	Plant and Equipment	Total
	£000	£000	£000
Cost or valuation			
At 1 August 2016	58,446	4,838	63,284
Revaluation	(12,768)	0	(12,768)
Additions	1,167	484	1,651
At 31 July 2017	46,845	5,322	52,167
Depreciation			
At 1 August 2016	1,759	4,120	5,879
Charge for the year	1,772	379	2,151
Impairment	415		415
At 31 July 2017	3,946	4,499	8,445
 Net Book Values at 31 July 2016	 <u>56,687</u>	 <u>718</u>	 <u>57,405</u>
 Net Book Value at 31 July 2017	 <u>42,899</u>	 <u>823</u>	 <u>43,722</u>

Land and buildings with a net book value of £42m have been funded from either local authority sources or from Scottish Funding Council capital grants. These assets may not be disposed of without the prior approval of the Scottish Funding Council and the College may have to return all or part of the sale proceeds to the Scottish Funding Council.

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
16 Trade debtors and other receivables		
Amounts falling due within one year:		
Trade debtors - net of provision for doubtful debts	572	448
Prepayments and accrued income	1,131	1,172
	<u>1,703</u>	<u>1,620</u>
 17 Creditors: Amounts falling due within one year		
Trade creditors	633	251
Other taxation and social security	521	505
Accruals and deferred income	2,440	1,498
Loan Repayment	160	151
Other creditors	520	112
Deferred capital grant	1,461	1,419
	<u>5,735</u>	<u>3,936</u>
 Deferred income		
Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met:		
Grant income	115	66
Other income	214	218
	<u>329</u>	<u>284</u>

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
18 Creditors: Amounts falling due after one year		
Deferred Income		
Secured/Unsecured Loan	3,904	4,064
Deferred capital grant	28,730	29,612
Interest rate swap	586	843
	<u>33,220</u>	<u>34,519</u>
Analysis of secured and unsecured loans		
Repayable within one year	160	151
Repayable between one and two years	167	160
Repayable between two and five years	553	574
Repayable over five years	3,184	3,331
	<u>4,064</u>	<u>4,216</u>

The term loan is a 29 year loan from Barclays, taken out 30 September 2010. The first drawdown against the facility was in 2011/12. The College has an interest rates swap at 31 July 2017 of £4.1m (July 16: £4.2m) at a fixed rate of 4.3% which terminates on 30 July 2029. In the 12 month period to 31 July 2017, the College repaid £151k (2016: £146k) of the loan principal.

	STSS Early Retirement	LGPS Pension	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000	£000	£000
19 Provisions for liabilities and charges				
At 1 August 2016	7,317	16,804	24,121	20,585
Utilised in year	(396)	(1,479)	(1,875)	(1,800)
Additions in 2016/17		2,168	2,168	1,801
Revaluation adjustment	214	1,322	1,536	2,794
Interest charged	170	412	582	741
At 31 July 2017	<u>7,305</u>	<u>19,227</u>	<u>26,532</u>	<u>24,121</u>

The STSS early retirement provision above is in respect of future pension liabilities arising from early retirees. The value of the provision is based on a valuation at 31 July 2017 performed by Hymans Robertson, an independent firm of actuaries.

The LGPS pension provision relates to the liability under the College's membership of the Local Government Pension Scheme. Further details are provided at note 23.

20 Restricted Reserves

The college has no restricted reserves as at 31 July 2017

	As at 31 July 2016	Cash	As at 31 July 2017
	£000	£000	£000
21 Cash and cash equivalents			
Cash and cash equivalents	926	1,684	<u>2,610</u>

	Equipment	Property	Year Ended 31 July 2017 Total	Year Ended 31 July 2016 Total
	£000	£000	£000	£000
22 Lease commitments				
Payable during the year	81	56	137	196
Future minimum lease payments due:				
Not later than 1 year	85	23	108	109
Later than 1 year and not later than 5 years	247	0	247	267
Later than 5 years	0	0	0	0
Total lease payments due	332	23	355	376

23 Pensions and similar obligations

The College's employees belong to two principal pension schemes, the Scottish Teachers' Superannuation Scheme (STSS) and the Local Government Pension Scheme (LGPS).

	Year Ended 31 July 2017 Total	Year Ended 31 July 2016 Total
	£000	£000
The total pension costs for the institution was :		
Contribution to STSS	1,572	1,567
Contribution to LGPS	1,451	1,402
Pension costs (as a result of FRS 102)	689	399
Total pension cost (Note 8)	3,712	3,368
Employer contribution rates		
STSS	17.2%	17.2%
LGPS	17.9%	17.9%

The Scottish Teachers' Superannuation Scheme

Forth Valley College participates in the Scottish Teachers' Superannuation Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2012. The valuation as at 31 March 2016 will set contribution rates from 1 April 2019.

Forth Valley College has no liability for other employer's obligations to the multi-employer scheme.

As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

The scheme is an unfunded multi-employer defined benefit scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where Forth Valley College is unable to identify its share of the underlying assets and liabilities of the scheme.

The employer contribution rate from 1 April 2015 was 14.9% of pensionable pay. This increased to 17.2% from 1 September 2015. While the employee rate applied is a variable it will provide an actuarial yield of 9.6% of pensionable pay.

At the last valuation a shortfall of £1.3 billion was identified in the notional fund which will be repaid by a supplementary rate of 4.5% of employer's pension contributions for fifteen years from 1 April 2015. This contribution is included in the 17.2% employer's contribution rate.

The total employer contributions received for the Scottish Teachers' scheme in the year to 31 March 2015 were £350.7million as per the Scottish Public Pensions Agency website. Forth Valley College's level of participation in the scheme is 0.5% based on the proportion of the employer contributions paid in 2016/17.

The Local Government Pension Scheme

The Falkirk Council Pension Fund for non-academic employees is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the period ended 31 July 2017 was £1,886k of which employer's contributions totalled £1,451k and employee's contributions totalled £435k. The agreed contribution rates are 17.9% for employers and between 5.5% and 12% for employees.

The following information is based upon a full actuarial valuation of the fund at 31 March 2014 by a qualified independent actuary, rolled forward to 31 July 2016 using approximation methods which allow for changes in financial assumptions, additional benefits, cash flows and actual pension increase orders.

Principal Actuarial assumptions

Life expectancy is based on the Vita Curves mortality tables with some adjustments. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Male years	Female years
Current pensioners	22.1 years	23.8 years
Future pensioners	24.3 years	26.3 years
	As at 31 July 2017	As at 31 July 2016
Pension increase rate	2.5%	1.9%
Salary increase rate	4.0%	3.4%
Discount rate	2.7%	2.4%

The assets of the scheme and the expected rates of return were:

	Split of investments 31 July 2017	Split of investments 31 July 2016
Equities	65%	65%
Bonds	23%	24%
Property	6%	7%
Cash	6%	4%

The following information is in relation to the Statement of Comprehensive Income:

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
Comprehensive Income and Expenditure Statement		
Current service cost	2,168	1,801
Interest cost	1,216	1,527
Interest income on plan assets	(804)	(1,037)
Total	2,580	2,291
Reconciliation of present value of defined benefit obligations		
Opening defined benefit obligations	49,874	41,748
Current service cost	2,168	1,801
Interest cost	1,216	1,527
Contributions by members	435	422
Remeasurements		
- change in financial assumptions	3,782	5,687
- other experience	9	(459)
Benefits paid	(934)	(824)
Unfunded benefits paid	(28)	(28)
Closing defined benefits obligation	56,522	49,874
Reconciliation of the movements in the fair value of the plan assets		
Opening fair value of the plan assets	33,070	28,331
Interest income on plan assets	804	1,037
Remeasurements		
- return on plan assets excluding the amount included in the net interest	2,469	2,730
Contributions by members	435	422
Contributions by employer	1,451	1,374
Contributions in respect of unfunded benefits	28	28
Benefits paid	(934)	(824)
Unfunded benefits paid	(28)	(28)
Closing fair value of the plan assets	37,295	33,070
The underlying net liability for retirement benefits attributable to the College at 31 July	19,227	16,804

	Year Ended 31 July 2018
	£000
Analysis of projected amount to be charged to operating result for the year to 31 July 2018	
Projected current service cost	2,375
Interest on obligation	1,743
Interest income on plan assets	(1,020)
Total	3,098

24 Related Party Transactions

The College's board members are the trustees for charitable law purposes. Due to the nature of the College's operations and the composition of its Board of Management being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Management may have an interest. All transactions involving organisations in which a member of the Board of Management may have a material interest are conducted at arm's length and in accordance with normal project and procurement procedures.

During the period under review, transactions with bodies in which a member of the Board of Management has an interest and which, in aggregate, exceeded £5k are noted below:

Member	Organisation	Contract	College Sales	College Purchases
			£000	£000
Mr K Thomson	Historic Environment Scotland	Educational	61	0
Mr K Thomson	Ceteris	Educational	0	7
Mr C Alexander	BP Oil Exploration Ltd	Educational	445	0
Ms T Craggs	Historic Environment Scotland	Educational	61	0
Miss L Dougall	University of Strathclyde	Educational	49	0
Mr L McCabe	University of Stirling	Educational	1,179	8
Mr L McCabe	APUC	Educational	0	84

At 31 July 2017 the following balances existed which were greater than £5k, for the organisations noted above:

Organisation	Due to the College	Due from the College
	£000	£000
University of Stirling	97	0
BP Oil Exploration	26	0
	<u>123</u>	<u>0</u>

The College had transactions during the year, or worked in partnership with, the following bodies in which members of the Board of Management hold, or held, official positions.

Member	Organisation	Post
Miss L Dougall	University of Strathclyde	Faculty Manager
Mrs C Jack	Scottish Power Energy Networks	Head of Delivery (Central & Fife)
Mr L McCabe	University of Stirling	Director of Finance
Mr L McCabe	Advanced Procurement for Universities and Colleges	Director of APUC Ltd
Ms T Craggs	Historic Environment Scotland	Board Member
Mr C Alexander	BP Oil Exploration Ltd	Reliability and Maintenance Manager
Mr K Thomson	Historic Environment Scotland	Board Member
Mr K Thomson	Ceteris	Board Member

25 Financial Instruments

Financial assets and liabilities are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining period of the instrument, using the assumption that the fair value of trade and other receivables (note 16) and trade creditors (note 17) is taken to be the invoiced or billed amount.

Liquidity risk – The College uses an interest rate swap to adjust interest rate exposure in order to guarantee fixed interest payments for a bank loan (note where payments are variable and hence exposed to interest rate movements). The swap has a fixed rate of 4.3% and the fair value as at July 2017 was £586K (2016: £843k). The swap is due to terminate on 30 July 2029. The term loan is a 29 year loan from Barclays, taken out 30 September 2010. The first drawdown against the facility was in 2011/12. In the year to 31 July 2017 the college repaid £151k of the loan principal. A covenant was arranged as part of the original loan agreement.

	FE Bursary	EMA's	Other	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000	£000	£000	£000
26 FE Bursary and other Student Support Funds					
Balance brought forward	0	0	0	0	252
Allocation received in year	3,202	211	249	3,662	3,199
	<u>3,202</u>	<u>211</u>	<u>249</u>	<u>3,662</u>	<u>3,451</u>
Expenditure	(2,960)	(211)	(236)	(3,407)	(3,451)
Balance carried forward	<u>242</u>	<u>0</u>	<u>13</u>	<u>255</u>	<u>0</u>
Represented by:					
Repayable to Funding Council as Clawback	242	0	13	255	0
	<u>242</u>	<u>0</u>	<u>13</u>	<u>255</u>	<u>0</u>

FE Bursary and Student Support Fund grants are available solely for students, the College acting only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
27 Childcare Funds		
Balance brought forward	0	13
Allocation received in year	625	633
	<u>625</u>	<u>646</u>
Expenditure	(551)	(646)
Balance carried forward	<u>74</u>	<u>0</u>
Represented by:		
Repayable to Funding Council as Clawback	74	0
	<u>74</u>	<u>0</u>

Childcare Fund transactions are included within the College Income & Expenditure account in accordance with the Accounts Direction issued by the Scottish Funding Council.

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
28 HE Discretionary		
Balance brought forward	1	1
Allocation received in year	157	127
	<u>158</u>	<u>128</u>
Expenditure	(153)	(126)
Repayable to SAAS as Clawback	(5)	(1)
Balance carried forward	<u>0</u>	<u>1</u>
Represented by:		
Repayable to SAAS as Clawback	5	1
	<u>5</u>	<u>1</u>

33 Capital Commitments

As a result of the approval of the New Falkirk Campus, there is a contracted capital commitment of £65m for the construction works for the New Campus for which no provision has been made.

34 Contingent Liabilities

The college has no contingent liabilities at 31 July 2017

35 Post Balance Sheet Events

Scottish Ministers approved the development of the New Falkirk Campus on the 4 October 2017. The existing Falkirk campus has been impaired to reflect the decision made to dispose of the asset in 2 years' time on the completion of the New Falkirk campus.

36 Non-cash allocation

Deficit before other gains and losses	(742)	(2,085)
Non-cash allocation for depreciation (net of deferred capital grant)	608	613
Operating deficit on Central Government accounting basis	(134)	(1,472)

Following reclassification, colleges received additional non-cash budget to cover depreciation but this additional budget is not recognised under the FE/HE SORP accounting rules. As a result, colleges show a deficit equivalent to net depreciation (where funds are spent on revenue items) in order to meet Government accounting rules and the requirement to spend the entire cash allocation.

Under the FE/HE SORP, the college recorded an operating deficit of £742k for the year ended 31 July 2017. After taking account of the Government non-cash budget, the college shows an "adjusted" deficit of £134k on a Central Government accounting basis.

37 Accounting estimates and judgements

During financial year 2017/18 there will be formal revaluations obtained for the following areas which may cause material adjustments to the carrying values, but which are non-cash items:

- Interest rate risk - the College is exposed to interest rate movements on the loan and as a result entered into a swap arrangement when the loan was agreed. As a complex financial instrument the swap is being accounted for at fair value at each year end. In the current market environment the fair value of the swap agreement is a liability to the College, as assessed by the bank and confirmed as reasonable through an independent assessment. The interest rate swap fair value was a liability at 31 July 2017 but if the LIBOR interest rates and other market factors change going forward there is the potential for the fair value of the swap to be assessed as an asset for the College rather than a liability, or for the liability to increase
- LGPS Pension liability - the College's participation in the Local Government Pension Scheme requires the funding of liabilities that may stretch out 60-70 years based on the working lives of active members and period during which pensions are in payment. During these periods there will be diverse economic cycles, varying levels of investment return and changes in mortality rates. The key assumptions that impact on the net pension liability in future are set out within note 23
- STSS Early Retirement provision. The College has a provision for staff who had early retirement. The amount of this liability varies based on a number of factors, but most significantly on the discount rate applied by the actuary. The key assumptions used in the valuation are the same as for the LGPS (as set out in note 23).

The following are other areas where there is significant estimates or judgements which affect the financial statements:

- Depreciation - depreciation rates have been set for the Falkirk, Alloa and Stirling campuses based on the recommendations of estimated useful lives by valuers.
- LGPS - Cash payments - all of the factors set out above regarding the LGPS could impact on the College's Cash flow position as they could require the actuary to set a revised employer contribution rate having undertaken the three yearly valuation of the pension fund. Whilst there is always an element of uncertainty as to the extent of any change in the contribution rate, the actuary is obliged to have regard to the Fund's Funding Strategy which is to take a prudent long term view of liabilities and maintain as constant an employer contribution rate as possible.

Appendix 1 Accounts Direction from Scottish Funding Council

1. It is the Scottish Funding Council's direction that colleges comply with the 2015 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts.
2. Colleges must comply with the accounts direction in the preparation of their annual report and accounts in accordance with the Financial Memorandum with the Scottish Funding Council (SFC) or the Regional Strategic Body (for assigned colleges).
3. Incorporated colleges are also required to comply with the Government Financial Reporting Manual 2016/17 (FRM) where applicable.
4. Incorporated colleges are reminded that they must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2017.
5. The annual report and accounts should be signed by the chief executive officer and by the chair, or one other member of the governing body
6. Incorporated colleges should reproduce this Direction as an appendix to the annual report and accounts.

Scottish Funding Council
30 June 2017

Forth Valley College

Year ended 31 July 2017

Annual Audit Report - draft

Audit Committee – 23 November 2017

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working world

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About this report

This report has been prepared in accordance with Terms of Appointment Letter from Audit Scotland dated 31 May 2016 through which the Auditor General for Scotland has appointed us as external auditor of Forth Valley College (the College) for financial years 2016/17 to 2020/21. We undertake our audit in accordance with the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and our responsibilities as set out within Audit Scotland's Code of Audit Practice (the Code), issued on 26 May 2016.

This report is for the benefit of the College and is made available to the Auditor General and Audit Scotland (together the Recipients). This report has not been designed to be of benefit to anyone except the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.

Complaints

If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with Stephen Reid who is our partner responsible for services under appointment by Audit Scotland, telephone 0131 777 2839, email sreid2@uk.ey.com. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, or with how your complaint has been handled, you can refer the matter to Russell Frith, Assistant Auditor General, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN. Alternatively you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

Purpose of this report

In accordance with section 21 of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General for Scotland appointed EY as the external auditor of Forth Valley College (the College) for the five year period 2016/17 to 2020/21. We undertake our audit in accordance with the Code of Audit Practice (the Code), issued by Audit Scotland in May 2016; Auditing Standards and guidance issued by the Financial Reporting Council; relevant legislation; and other guidance issued by Audit Scotland.

This Annual Audit Report is designed to summarise our key findings and conclusions from our audit work. It is addressed to both the members of the College and the Auditor General for Scotland, and presented to both College management and those charged with governance, identified as being the Board and the College's Audit Committee. It will be published on Audit Scotland's website.

We draw your attention to the fact that our audit was not designed to identify all matters that may be relevant to the College. Our views on internal control and governance arrangements have been based solely on the audit procedures performed in respect of the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

Scope and responsibilities

The Code sets out the responsibilities of both the College and the auditor. We provided details of these in our Annual Audit Plan, which was presented to the Audit Committee on 14 September 2017. We summarise the responsibilities of the College in Appendix A.

Our Annual Audit Plan also provided you with an overview of how we intended to carry out our responsibilities as your auditor. We carried out our audit in accordance with this plan.

We planned our procedures using a materiality of £450,000 and a Tolerable Error of £325,000. We reassessed this using the actual year-end figures, to confirm that the materiality remained appropriate for the audit. No adjustment was made to materiality amounts communicated in our Annual Audit Plan. The threshold for reporting audit differences was £20,000.

Audit opinion

We [have issued] an unqualified opinion that the financial statements:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council (SFC) of the state of the affairs of the College as at 31 July 2017 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

Key contacts

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Acknowledgement

We would like to thank all members of the College's management and staff who have been involved in our work for their co-operation and assistance during our audit work.

Accounting and audit matters – our reporting on the College's financial statements

Preparation of financial statements

- The draft financial statements presented for audit were of good quality and required minimal adjustments to comply with the SORP disclosure requirements.
- There were no adjusted audit differences identified to bring to your attention. There are no unadjusted audit differences.

Significant risks

- Our testing has not identified any material misstatements from revenue and expenditure recognition. Overall our audit work did not identify any material issues to indicate any misreporting of the College's financial position based on manipulation of revenue or expenditure transactions.
- We have reviewed the documentation around the one-off significant transaction involving a £2 million donation from Glasgow Kelvin College. We are satisfied that this has been appropriately accounted for in the financial statements.
- We have not identified any material weaknesses in the design and implementation of controls tested as part of our audit, or evidence of material management override through inappropriate judgements being applied.

Other inherent risks

- We are satisfied that management has adequate arrangements to ensure that property, plant and equipment is appropriately valued within the financial statements. Recognising the approval to proceed with the new Falkirk campus building, valuation of the existing assets was commissioned and a total reduction in value of £13.2 million identified, £0.4 million of which was charged to the deficit as an impairment below cost.
- The FPF defined pension scheme liabilities were estimated using actuarial assumptions which we consider to be reasonable. We have undertaken appropriate testing of underlying data to support the calculation of the liability.

Other matters and reporting requirements

- Our testing on opening balances was completed satisfactorily. We have no matters to bring to your attention in respect of our work on the qualitative aspects of the financial statements.
- In respect of our responsibility to report on the regularity of transactions, we have concluded that in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.
- In respect of our 'Opinions on other prescribed matters', which includes the Performance Report, the auditable part of the remuneration report and the Governance Statement we have concluded that our opinion is unqualified. We have not identified any other matters on which we are required to report by exception.

Wider scope audit dimensions – our judgements and conclusions on the College's arrangements continued

Financial Management

- The College reported a deficit of £0.7 million for the year (2015/16: £2.1 million). Following revaluation losses of £12.8 million and actuarial losses of £1.3 million, the College reported a total comprehensive loss for the year of £14.8 million (2016: £6.2 million deficit). Within the Performance Report, the College uses the suggested format from the SFC to reconcile the reported deficit to the underlying surplus/deficit position. On this basis, the underlying position is a surplus of £0.7 million (2015/16: £1.2 million surplus).
- The College has well established financial management arrangements, and we are satisfied that these are adequate for the management of its financial activities.

Financial sustainability

- We have concluded that achieving financial sustainability continues to represent a significant challenge for the College. Financial planning is constrained by the requirement to deliver in year resource targets. The College is working through the implications of the national pay bargaining settlement and how that affects its longer term financial forecasts.
- Development of the new Falkirk campus is a key project for the College and will involve significant senior management time. The interaction of the funding model with the costs, and allocation of different sources of income against the build costs, will need to be tracked carefully going forward.

Governance and transparency

- We have concluded that the College has established appropriate arrangements to demonstrate good governance and transparency in its operational activity.
- There is a commitment to transparency, with the conduct and detail of business of the College made available on the website.
- The independent Board effectiveness review reported positively in respect of the governance arrangements and the operation of the Board.

Value for Money

- The College has approved its Strategic Plan for the period 2017-22 and identified how it intends to deliver on the plan, and the overarching mission, through a series of enabling strategies.
- The College reports on its website in terms of annual performance, with key indicators included in the financial statements. There is scope to consider more information in terms of how performance compares to the targets the College sets itself in these areas.

Appendices

We have confirmed our independence to act as auditor of the College. Auditor remuneration of £22,470 was agreed with management.

**1. Financial
statements and
accounting**

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1. Financial statements and accounting



The College's annual financial statements enables the Board to demonstrate accountability for its resources and its performance in the use of those resources during the year. They are prepared in accordance with applicable law and UK Generally Accepted Accounting Practice.

Audit opinion

In respect of the financial statements, we report on the truth and fairness in accordance with the requirements of the Further and Higher Education (Scotland) 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and United Kingdom Generally Accepted Accounting Practice, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The detailed form and content of our audit report, plus the requirements underpinning the report, are contained in the Audit Scotland guidance at http://www.audit-scotland.gov.uk/uploads/docs/um/tgn_2017-7_further_education.pdf (Appendix 1).

We [issued] an unqualified opinion based on the satisfactory completion of our work.

Financial statements preparation

As part of our oversight of the Board's financial reporting process, we report on our consideration of the quality of working papers and supporting documentation prepared predominantly by the finance team to support the audit.

The financial statements were prepared in accordance with the 2015 Statement of Recommended Practice for Further and Higher Education (SORP) alongside the Government Financial Reporting Manual (FRM) 2016/17.

The draft financial statements presented for audit were of good quality and required minimal adjustments to comply with the SORP disclosure requirements.

Materiality

We planned our procedures using a materiality of £450,000. We reassessed this using the actual year-end figures, to ensure that our level of materiality remained appropriate. We did not change our assessment of materiality as a result of this reassessment. Our Tolerable Error for the audit was £325,000 and the threshold for reporting audit differences was £20,000. We also identified areas where misstatement at a lower level than materiality might influence the reader of the financial statements and developed a specific audit strategy for them. They include:

- Remuneration disclosures including any severance payments, exit packages and termination benefits - we applied a materiality of £1,000 based on the potential sensitivity of these disclosures.
- Related party transactions - we considered the nature of these disclosures individually.

Audit differences

There were no adjusted audit differences identified to bring to your attention.

There are no unadjusted audit differences.

Our Audit Plan identified key areas of focus for our audit of the College's financial statements, including significant risks. This report sets out the results of our audit procedures plus relevant observations, including our views on areas which might be conservative, and where there may be potential risk and / or exposure.

Significant risk – risk of fraud in revenue recognition

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue. In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We rebutted the presumed revenue recognition risk in relation to SFC core funding to the College. This was based on the fact that the funding is clearly allocated for delivery of activity within the financial year. Prior year College returns to the SFC have demonstrated that it has delivered on student credits (formerly SUMs) with no history of material clawback from the SFC. As there has been no history of issues or concerns raised through internal audit review of the College's data return for funding (FES) to the SFC, we considered the risk over potential clawback due to inaccurate data as low. However we recognise a revenue recognition risk for tuition income and other material income in respect of possible manipulation of cut-off around the financial year end. We also recognise the same risk around incorrect recognition of non-pay expenditure in line with Practice Note 10.

Results of audit procedures

We undertook the following procedures as part of our audit:

- Reviewed and tested revenue and expenditure recognition policies against the relevant accounting standards and the SORP. We also considered any accounting estimates on revenue or expenditure recognition for any evidence of bias.
- Developed a testing strategy in respect of material revenue and expenditure streams. For tuition fees and education contracts, we performed analytical review and substantive testing across a sample of contracts to ensure appropriate recognition. For SFC and other funding body grant income we reviewed all material grant funding recognised in the year for any indicators of either claw-back or that the terms and conditions of the financial memorandum have not been complied with in all material respects. In doing so, we considered the work of internal audit in respect of the College's FES return. We considered the conclusions of internal audit and their opinion on the return as providing additional assurance that there would be no potential reclaim of SFC funding paid to the College. For other income, we performed analytical review and substantive testing over a sample of transactions to gain assurance.
- We performed focused additional testing around transactions posted at the year end to gain comfort that key items are recorded in the correct accounting period. In particular we focused on any transactions incurred after 31 July, but included in the 2016/17 financial ledger.
- Reviewed and tested a sample of debtor balances at the year end, including material balances. We undertook an assessment of aged balances held on the balance sheet at year end including investigation of unusual items, such as those past payment due date.

There are no matters to raise with you as a result of the work performed.

Significant Risk, fraud in income and expenditure recognition – what have we concluded?

- Our testing has not identified any material misstatements from revenue and expenditure recognition. Overall our audit work did not identify any material issues to indicate any misreporting of the College's financial position based on manipulation of revenue or expenditure transactions.

Significant risk – management override

What is the risk?

As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

Results of audit procedures

Test the appropriateness of manual journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements

We obtained a full list of journals posted to the general ledger during the year, and used our bespoke data analysers to identify any unusual journal types or amounts based on our identified risk areas for the audit. We then tested a sample of these journals, understood their purpose and agreed and corroborated them to supporting documentation.

Review accounting estimates for evidence of management bias, including management's retrospective consideration of prior year estimates

We identified and considered the appropriateness of key accounting estimates, including provisions, and their susceptibility to bias. Management has disclosed their consideration of the critical accounting judgements and key estimates in the financial statements. We have reviewed these and agree with the detail of the assessment performed.

Evaluate the business rationale for any significant unusual transactions

With the exception of the donation received from Glasgow Kelvin College (reported later), and the accounting transactions relating to that donation, we did not identify any significant unusual transactions.

We have not identified any material weaknesses in the design and implementation of control arrangements tested as part of our audit, or evidence of material management override through inappropriate judgements being applied.

Significant risk, Management override – what have we concluded?

- We have not identified any material weaknesses in the design and implementation of controls tested as part of our audit, or evidence of material management override through inappropriate judgements being applied.

Significant risk – donation from Glasgow Kelvin College

What is the risk?

In March 2017, the College received a £2 million donation from Glasgow Kelvin College. The purpose of the donation, made following an asset disposal by Glasgow Kelvin College and subsequent Ministerial direction to Glasgow Kelvin, was to support the College's new build campus in Falkirk.

As an unusual and non-routine transaction, management had discussed this with us at the time of receipt to ensure the accounting for the transaction was correct while making consideration of the interaction between resource accounting and financial statements reporting under the SORP.

Results of audit procedures

We have already provided management with our view on the accounting for this significant unusual transaction, in accordance with the accounting policies adopted by the College on transition to FRS 102. We identified an issue with the accounting as initially proposed to and by the College whereby, as a central government body, the donation from Glasgow Kelvin College should be accounted for in accordance with the College's accounting policy on government grants, as opposed to treating the income as a donation from a third-party charity.

As a result, management identified and entered into a sequence of transactions to enable recognition of the donation in 2016/17 in line with the purpose and restriction associated with it. This ensured that the cash was not 'frozen' for resource accounting purposes.

We have obtained evidence that the donation was applied to purchase the land at Middlefield which supports the new campus development. The balance of the donation was used to support estates development costs associated with the campus project.

As a result of the latter, the College had a resource underspend for which approval was sought and obtained from the Scottish Funding Council to enable donation of the underspend to the Forth Valley College Foundation. This donation totalled £579,000.

Management entered into correspondence with the Scottish Funding Council in respect of the above transactions, seeking Board and SFC approval as required. We are satisfied therefore that there was an appropriate audit trail in respect of the transaction and its consequences.

Significant risk, donation from Glasgow Kelvin College – what have we concluded?

- We have reviewed the documentation around the one-off significant transaction involving a £2 million donation from Glasgow Kelvin College. We are satisfied that this has been appropriately accounted for in the financial statements.

Other inherent risks

Valuation of property, plant and equipment

The College's property portfolio totals £57.4 million as at 31 July 2016, with the major elements of this being in respect of land and buildings. Land and buildings are revalued to fair value with a full revaluation taking place at least every five years.

Given the size of this balance and the fact that a number of assumptions are made in the valuation, we assign a higher inherent risk to property, plant and equipment.

With the approval of the full business case for the significant planned investment in the Falkirk Campus, management identified the need to undertake a valuation of existing land and buildings at the 31 July 2017, to ensure the carrying value of existing assets is not overstated.

Results of audit procedures

In response to the inherent risk we performed the following audit procedures:

- We agreed the carrying value of assets held to source data and enquired of management as to the procedures used to establish whether the source data is complete.
- We reviewed the basis of asset valuations and performed an assessment of the reasonableness of the assumptions and methods used, including their compliance with the SORP and FReM.
- Considered the appropriateness of the timing of when management's specialist carried out the work and whether the substance of the specialist's findings are properly reflected in the financial statements.

The valuation of land in relation to the sites affected by the Falkirk Campus development took into account the restricted useful economic life of the related assets, recognising that they will be disposed of on completion and transfer to the new building.

This resulted in a reduction in value of £13.2 million, £12.8 million of which was recognised against the revaluation reserve through other comprehensive income with the balance of £0.4 million charged to the deficit as an impairment below cost of the asset.

We are satisfied that management has undertaken sufficient procedures to gain assurance that property, plant and equipment is held at an appropriate value as at the reporting date. A full interim professional valuation will be undertaken in 2017/18.

Other inherent risk, valuation of property, plant and equipment – what have we concluded?

- We are satisfied that management has adequate arrangements to ensure that property, plant and equipment is appropriately valued within the financial statements. Recognising the approval to proceed with the new Falkirk campus building, valuation of the existing assets was commissioned and a total reduction in value of £13.2 million identified, £0.4 million of which was charged to the deficit as an impairment below cost.

Other inherent risks

Valuation of pension liabilities

The College participates in two pension schemes; the Falkirk Council Pension Fund (FPF), and the Scottish Teachers Superannuation Scheme (STSS). While both are defined benefit pension schemes, the College is unable to identify its share of the underlying assets and liabilities of the STSS scheme on a consistent and reasonable basis and therefore, the scheme is accounted for as if it were a defined contribution scheme. The College recognises a provision for future early retirement liabilities of £7.3 million.

FPF is accounted for as a defined benefit scheme. The net pension liabilities on the balance sheet arising from participation in the scheme were £19.2 million as at 31 July 2017.

Results of audit procedures

In response to the identified inherent risk we:

- Obtained actuarial reports at the year end date for the FPF scheme and considered the reasonableness and consistency of assumptions underpinning such reports, in light of guidance available ensuring compliance with funding agreements.
- Utilised our in-house actuaries to assess the reasonableness of key assumptions such as discount rate, inflation and expected market return.
- Performed substantive testing on the verification of the pension assets and audited the calculation of the College's valuation and disclosure in the financial statements.

In respect of the provision for future early retirement obligations, we reviewed the College's calculation of the provision as at 31 July 2017, including the reasonableness of management's assumptions and the accuracy of amounts calculated. We performed substantive testing to gain assurance over the underlying data used to calculate the provision.

Other inherent risk, valuation of pension liabilities – what have we concluded?

- The FPF defined pension scheme liabilities were estimated using actuarial assumptions which we consider to be reasonable. We have undertaken appropriate testing of underlying data to support the calculation of the liability.

In accordance with Audit Scotland requirements, our independent auditor's report also covers the key narrative statements such as the Performance Report, the Accountability Report and the Remuneration and Staff Report which the College is required to include within its Annual Report and Accounts.

Other reporting requirements

Performance Report

In accordance with the Code, we review the information contained within the Performance Report and confirm that this is consistent with the information reported within the financial statements. As a new responsibility in 2016/17, under the Code, Audit Scotland requires us to also express an opinion on whether the Performance Report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

We are satisfied that the information with the Performance Report is consistent with the financial statements and has been prepared in accordance with applicable requirements.

Accountability Report, including the Governance Statement

Audit Scotland requires us to read the information in the annual governance statement and express an opinion on whether Governance Statement is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council. We are satisfied that the information with the Governance Statement is consistent with the financial statements and has been prepared in accordance with applicable requirements.

Remuneration and staff reports

Auditors are required by the Code to audit the disclosures of remuneration and pension benefit, pay bands, and exit packages and express a separate opinion within their independent auditor's report on whether they have been properly prepared in accordance with the Regulations. We are satisfied that auditable part of the remuneration and staff report has been properly prepared in accordance with regulations.

Regularity opinion

The Board of Management is responsible for ensuring the regularity of expenditure and income. Auditors are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000. In our opinion, in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Other audit matters – opening balances

International Standard on Auditing (UK) 510: *Initial audit engagements – opening balances* requires auditors to obtain sufficient, appropriate audit evidence that opening balances do not contain misstatements that materially affect the financial statements. The standard also requires auditors to verify that appropriate accounting policies are reflected in the opening balances and that they have been consistently applied in the current period's financial statements.

The results of our procedures were satisfactory and we have no matters to report to you in respect of this.

Other reporting requirements – what have we concluded?

- We reviewed the other information presented within the financial statements and provided management with minor comments to enhance the content, structure and presentation of these. These were amended by management.
- In respect of our 'Opinions on other prescribed matters', which includes the management commentary, the auditable part of the remuneration report, and the annual governance statement, our opinion is unqualified.
- We have not identified any other matters on which we are required to report by exception.

**2. Wider scope
audit**

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2. Wider scope audit



In accordance with the Code, we provide judgements and conclusions in respect of our work on the four audit dimensions of public sector audit: financial management; financial sustainability; governance and transparency; value for money.

Wider scope audit risks

The Code requires us to undertake work in respect of each of the four dimensions on an annual basis. The Code also sets out an expectation that 'significant' risks identified through our planning process that relate to the wider scope dimensions will be communicated with you. In undertaking our risk assessment in respect of the wider scope audit areas, we distinguish between the definition of 'significant risks' which apply to the audit of the financial statements, by referring to 'Wider Scope Audit Focus Areas'.

In our Annual Audit Plan we did not identify any areas of wider scope audit focus in the current year. We have however, undertaken routine work in respect of each of the audit dimensions, by considering the evidence available to us through various aspects of our work.

Financial management

The College reported a deficit of £0.7 million for the year (2015/16: £2.1 million). Following revaluation losses of £12.8 million and actuarial losses of £1.3 million, the College reported a total comprehensive loss for the year of £14.8 million (2016: £6.2 million deficit). Within the Performance Report, the College uses the suggested format from the SFC to reconcile the reported deficit to the underlying surplus / deficit position. On this basis, the underlying position is a surplus of £0.7 million (2015/16: £1.2 million surplus). The College uses this measure to demonstrate that it is operating sustainably.

The College also reported that it had operated within its resource limits for the year ended 31 March 2017, reporting essentially a breakeven position against its revenue resource limit of £25.5 million and its capital resource limit of £0.4 million. The only difference on the revenue outturn position was the £146,000 used for annual loan repayments which the College was committed to before reclassification as a public body, as these do not score against the resource outturn.

Performance against budget

After deduction of the one-off and unusual nature of the donation from Glasgow Kelvin College, the performance during the year was broadly in line with original budget forecast.

Funding aspect	Budget - £m	Actual - £m	Variance - £m
Income	31.718	34.894	3.176
Expenditure*	(31.714)	(33.000)	(1.286)
Total surplus (before tax)	0.04	1.894	1.890

*Includes net non-operational expenditure

Capital Expenditure

During 2016/17 the College spent £1.6 million on capital additions. This was primarily in relation to the ongoing Falkirk Campus development, including purchase of the land at the Middlefield site.

2. Wider scope audit

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Financial management (continued)

Monitoring of expenditure

Financial performance is monitored through monthly management accounts comprising an income and expenditure account, student support funds statement and a balance sheet. The reporting pack also includes an update on major capital projects. Financial performance is monitored by the Principal and senior management team. Performance is monitored and scrutinised by the finance and general purposes committee and the Board.

We reviewed the financial information monitored by senior management, committees and the Board and we are satisfied that the information is sufficiently detailed, including explanation of material variances to provide meaningful information to allow scrutiny and challenge of performance.

Colleges are classified as central government bodies and therefore are now required to operate within a resource limit which is measured annually at the end of March. Monitoring performance against two distinct measures is a challenge. It will continue to be important that management ensure that the Board are aware of the impact of key decisions on both outturn financial performance as well as ability to meet resource limits.

Internal control

It is the responsibility of the College to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility, as auditor, is to consider whether the College has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Our first year audit has been predominantly substantive in nature, and therefore we have not tested the operating effectiveness of key controls. We have reviewed the high level procedures management have with respect to internal control.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control. We have not identified any such matters to report to you.

Internal audit

The College has an internal audit service, who report to the Principal and the audit committee with direct access to the chair of the audit committee. On the basis of the work undertaken during the period the auditors have expressed an opinion that the College has a framework of controls in place that provides reasonable assurance regarding the effective and efficient achievement of objectives and the management of key risks and proper arrangements are in place to promote value for money and deliver best value.

As part of their work for the year, internal audit reviewed the budget setting and monitoring arrangements within the College, as well as controls around non-pay expenditure. In respect of our wider scope work, these reports demonstrated that, in the main, the College has no major weaknesses although internal audit made some lower grade recommendations for improvement.

Financial management - what have we concluded?

- The College reported a deficit of £0.7 million for the year (2015/16: £2.1 million). Following revaluation losses of £12.8 million and actuarial losses of £1.3 million, the College reported a total comprehensive loss for the year of £14.8 million (2016: £6.2 million deficit). Within the Performance Report, the College uses the suggested format from the SFC to reconcile the reported deficit to the underlying surplus/deficit position. On this basis, the underlying position is a surplus of £0.7 million (2015/16: £1.2 million surplus).
- The College has well established financial management arrangements, and we are satisfied that these are adequate for the management of its financial activities.

Financial sustainability is focused on the medium to longer term financial viability, and considers how effectively an audited body is planning to deliver its services over the medium term.

Financial sustainability

Financial sustainability interprets auditors' requirements under ISA 570 *Going concern* and looks forward to the medium (two to five years) and longer-term (longer than five years) to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Audit Scotland's sector report: Scotland's colleges 2016, highlighted that between 2011 and 2015/16 the Scottish Government funding to the sector reduced by 18 % in real terms. While the College's core funding has remained relatively stable in the current year of £23.8 million (2016: £23.2 million) management recognise that savings will be required in future years with envisaged constraints on future public sector resources. This requires an ability to transform and deliver significant recurring efficiency savings, while at the same time ensuring that the impact on core delivery is minimised.

Financial performance

The College reported a deficit of £0.7 million for the year (2015/16: £2.1 million). Following revaluation losses of £12.8 million and actuarial losses of £1.3 million, the College reported a total comprehensive loss for the year of £14.8 million (2016: £6.2 million deficit). Within the Performance Report, the College uses the suggested format from the SFC to reconcile the reported deficit to the underlying surplus/deficit position. On this basis, the underlying position is a surplus of £0.7 million (2015/16: £1.2 million surplus). The College uses this measure to demonstrate that it is operating sustainably.

An important part of ongoing financial assurance is regular updates to the Board on monitoring of expenditure against budget and the forecast outturn for the year. Financial performance is scrutinised by the senior management team, the finance and general purposes committee and the Board.

Financial planning

The College has approved its 2017/18 budget, with an operating surplus of £174,000 set. The key pressure within the budget is the higher salary costs on the back of the national pay bargaining settlement. Overall staff costs are forecast to increase by £1.2 million, or 5%, but already represent close to 80% of total operating expenditure (excluding depreciation).

Cost pressure analysis by management has identified that agreement within the national pay settlement such that the College is not able to increase its contact time from the current 22 hours to the nationally agreed 23 hours adversely impacts their ability to restructure course delivery to achieve efficiencies.

An increase in SFC grant income is included in 2017/18 forecasts, however when the wider pressures on costs, in addition to national pay bargaining are considered, such as annual increments, pension increases, apprenticeship levy costs and inflationary pressures, the increased funding will not be sufficient to cover these pressures.

The downward revaluation of the Falkirk Campus has reduced the College's net depreciation cash, from £608,000 to £141,000. Within the funding model agreed with SFC for the new campus was the assumption that the College would meet estates costs of £400,000 per year through use of net depreciation. This is now not available to the College and so they will be required to generate an increased surplus if this funding model is to be met. Delivery of the new campus is the major item on the College's strategy, and construction started in October 2017. This will bring additional challenges through the course of the build in terms of the capacity of management during what will be a challenging period.

Financial sustainability – what have we concluded?

- We have concluded that achieving financial sustainability continues to represent a significant challenge for the College. Financial planning is constrained by the requirement to deliver in year resource targets. The College is working through the implications of the national pay bargaining settlement and how that affects its longer term financial forecasts.
- Development of the new Falkirk campus is a key project for the College and will involve significant senior management time. The interaction of the funding model with the costs, and allocation of different sources of income against the build costs, will need to be tracked carefully going forward.

2. Wider scope audit

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making, and transparent reporting of financial and performance information.

Governance and transparency

The Board and management of the College are responsible for establishing robust governance arrangements. This includes ensuring effective systems of internal control, including arrangements to safeguard public money, and compliance with applicable laws and regulations. While we have not identified any significant risks in relation to the College's governance arrangements through our audit planning, we consider the adequacy and effectiveness of the College's governance arrangements as part of our audit work.

Governance arrangements

The College has in place key requirements for good governance. We have reviewed Board minutes and papers and found these to set out clearly the matters considered and discussed. The Board undertook its effectiveness review during the year which concluded positively overall on the governance systems and processes, the calibre and mix of board members and the partnership working between staff and board members. Some areas for continued review and scope for improvement were identified. In particular, the College is considering the role and business of the strategic development committee and its interaction with the Board. In line with transparency, the effectiveness review is available on the College website.

The Governance Statement sets out the arrangements the College has put in place to comply with the Code of Good Governance for Scotland's Colleges. No significant areas of non-compliance were identified and disclosed. This is in line with our understanding of arrangements.

Effective risk management

The risk management policy outlines the approach to risk management, the roles and responsibilities of the Board, the senior management team, and other key parties. It also outlines the key risk management processes and identifies the main reporting arrangements.

The College's internal auditors facilitated a risk workshop for members of the Board and the senior management team in October 2017. This will be used to enhance the College's approach to risk, and risk appetite, during 2017/18.

Transparency

The College publicises Board and standing committee agendas, minutes and papers on their website on a timely basis. It is clear that the College endeavours to make as much information available as possible, redacting for example certain financial information only where it would be considered to be reserved under freedom of information requests.

Governance and transparency – what have we concluded?

- We have concluded that the College has established appropriate arrangements to demonstrate good governance and transparency in its operational activity.
- There is a commitment to transparency, with the conduct and detail of business of the College made available on the website.
- The independent Board effectiveness review reported positively in respect of the governance arrangements and the operation of the Board.

Value for money is concerned with using resources effectively and continually improving services. This includes consideration of whether resources are being used effectively and how performance and outcomes are monitored.

Strategic planning

The College approved its new strategic plan for 2017-22 during the year. The plan continued the mission of the College of 'Making Learning Work', with six key objectives comprising the vision. These objectives are delivered through six aligned strategies:

- Creating a superb learning environment – Estates Strategy
- Cultivating a vibrant learning organisation – Creative Learning and Technologies Strategy
- Instilling an energy and passion for our people – People Strategy
- Leading as a business that is a champion for governance – Code of Good Governance / Financial Strategy
- Enhancing our position as the business – Commercial, International, Fundraising Strategies
- Delivering a whole system approach – Creative Learning and Technologies Strategy

Performance reporting

The College publishes its performance information annually on its website as well as including key measures within the financial statements and Board and committee papers published on the website. While there is a range of sources of performance information, including the financial statements, and KPI information, there is an opportunity to enhance the current performance information contained within the financial statements to provide a view of how performance compares to targets, and how those targets are expected to change over the period of the strategic plan.

Value for money – what have we concluded?

- The College has approved its Strategic Plan for the period 2017-22 and identified how it intends to deliver on the plan, and the overarching mission, through a series of enabling strategies.
- The College reports on its website in terms of annual performance, with key indicators included in the financial statements. There is scope to consider more information in terms of how performance compares to the targets the College sets itself in these areas.

Appendices

- A. College responsibilities
- B. Required communications with the Audit Committee
- C. Auditor independence
- D. Management representations

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A. College's responsibilities



The Code of Audit Practice summarises the responsibilities on all audited bodies falling within the public sector audit framework. We summarise these on this page.

Responsibilities of audited bodies

Corporate governance	Each body, through its chief executive or accountable officer, is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Audited bodies should involve those charged with governance (including audit committees or equivalent) in monitoring these arrangements.
Financial statements and related reports	<p>Audited bodies must prepare an annual report and accounts containing financial statements and other related reports. They have responsibility for:</p> <ul style="list-style-type: none"> • preparing financial statements which give a true and fair view of their financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation. • maintaining accounting records and working papers that have been prepared to an acceptable professional standard and support their financial statements and related reports disclosures. • ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority. • maintaining proper accounting records. • preparing and publishing, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements. Management commentary should be fair, balanced and understandable and also clearly address the longer-term financial sustainability of the body. <p>Management, with the oversight of those charged with governance, should communicate clearly and concisely relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework.</p> <p>Audited bodies are responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at their disposal. They are also responsible for establishing effective and appropriate internal audit and risk-management functions.</p>
Standards of conduct / prevention and detection of fraud and error	Audited bodies are responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption and also to ensure that their affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.
Financial position	<p>Audited bodies are responsible for putting in place proper arrangements to ensure that their financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • such financial monitoring and reporting arrangements as may be specified • compliance with any statutory financial requirements and achievement of financial targets • balances and reserves, including strategies about levels and their future use • how they plan to deal with uncertainty in the medium and longer term • the impact of planned future policies and foreseeable developments on their financial position.
Best Value	The Scottish Public Finance Manual sets out that accountable officers appointed by the Principal Accountable Officer for the Scottish Administration have a specific responsibility to ensure that arrangements have been made to secure best value.

B. Required communications



There are certain additional communications that we must provide to the Audit Committee, in accordance with ISA (UK) 260 and other auditing standards, which are set out below.

Required communication - what is reported?	Our reporting to you
<p>Terms of engagement</p> <p>Confirmation by the Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.</p>	<p>Audit Scotland Terms of Appointment letter – audit to be undertaken in accordance with the Code of Audit Practice</p>
<p>Planning and audit approach</p> <p>Communication of the planned scope and timing of the audit, including any limitations.</p>	<p>Annual Audit Plan</p>
<p>Significant findings from the audit</p> <ul style="list-style-type: none"> • Our view of the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures • Any significant difficulties encountered during the audit • Any significant matters arising from the audit that were discussed with management • Written representations we have requested • Expected modifications to the audit report • Any other matters significant to overseeing the financial reporting process • Findings and issues around the opening balance on initial audits 	<p>This Annual Audit Report.</p>
<p>Going concern</p> <p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The adequacy of related disclosures in the financial statements 	<p>No conditions or events were identified, either individually or together to raise any doubt about the College's ability to continue for the 12 months from the date of our report.</p>
<p>Fraud</p> <ul style="list-style-type: none"> • Asking the Audit Committee whether they have knowledge of any actual, suspected or alleged fraud affecting the College • Unless all those charged with governance are involved in managing the entity, any fraud identified or information obtained indicating that a fraud may exist involving: <ul style="list-style-type: none"> (a) management; (b) employees with significant roles in internal control; or (c) others where the fraud results in a material misstatement in the financial statements. <p>► A discussion of any other matters related to fraud, relevant to Audit Committee responsibility.</p>	<p>This Annual Audit Report.</p>

B. Required communications (cont.)



Required communication - What is reported?	Our reporting to you
<p>Misstatements</p> <ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Significant corrected misstatements, in writing 	<p>This Annual Audit Report.</p>
<p>Significant deficiencies in internal controls identified during the audit</p> <ul style="list-style-type: none"> • Significant deficiencies in internal controls identified during the audit. 	<p>This Annual Audit Report</p> <p>No significant deficiencies were identified in the course of our audit which required immediate communication to the Audit Committee.</p>
<p>Related parties</p> <p>Significant matters arising during the audit in connection with the College's related parties including, where applicable:</p> <ul style="list-style-type: none"> • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and/or regulations • Difficulty in identifying the party that ultimately controls the entity 	<p>We have no matters to report.</p>
<p>Subsequent events</p> <ul style="list-style-type: none"> • Where appropriate, asking the Audit Committee whether any subsequent events have occurred that might affect the financial statements. 	<p>We have asked management and those charged with governance. We have no matters to report.</p>
<p>Other information</p> <ul style="list-style-type: none"> • Where material inconsistencies are identified in other information included in the document containing the financial statements, but management refuses to make the revision. 	<p>We have no matters to report.</p>
<p>External confirmations</p> <ul style="list-style-type: none"> • Management's refusal for us to request confirmations • We were unable to obtain relevant and reliable audit evidence from other procedures. 	<p>We have received all requested confirmations.</p>
<p>Consideration of laws and / or regulations</p> <ul style="list-style-type: none"> • Audit findings of non-compliance where it is material and believed to be intentional. This communication is subject to compliance with legislation on "tipping off" • Asking the Audit Committee about possible instances of non-compliance with laws and/or regulations that may have a material effect on the financial statements, and known to the Audit Committee. 	<p>We have asked management and those charged with governance. We have not identified any material instances or non-compliance with laws and regulations.</p>
<p>Independence</p> <ul style="list-style-type: none"> • Communication of all significant facts and matters that have a bearing on EY's objectivity and independence. 	<p>This Annual Audit Report – Appendix C</p>

Professional ethical standards, and the Terms of our Appointment, require us to communicate all significant facts and matters that have a bearing on EY's objectivity and independence as auditor of the College.

What we are required to communicate?

Communicating key elements of the audit engagement partner's consideration of independence and objectivity such as:

- The principal threats
- Safeguards adopted and their effectiveness
- An overall assessment of threats and safeguards
- Information on the firm's general policies and processes for maintaining objectivity and independence
- Communications whenever significant judgments are made about threats to objectivity or independence and the appropriateness of safeguards.

Confirmations

We confirm that there are no changes in our assessment of independence since our confirmation in our Annual Audit Plan.

We complied with the Financial Reporting Council's Ethical Standards and the requirements of Audit Scotland's Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that you and your Audit Committee consider the facts known to you and come to a view. If you would like to discuss any matters concerning our independence, we will be pleased to do this at the meeting of the College Audit Committee on 21 November 2017.

Summary of fees

As part of our reporting on our independence, we set out below a summary of the fees paid for the year ended 31 July 2017.

Our audit fee was agreed with management at the time of our Audit Plan. There are no changes to those fees.

Auditor remuneration	£22,470
Fixed costs *	£2,440
Total audit fees	£24,910

* Fixed costs, which are determined by Audit Scotland, comprise £1,280 pooled costs, £1,160 contribution to Audit Scotland's costs.

ISA (UK) 580: *Written representations*, requires the auditor to obtain written representation that management, including those charged with governance, has fulfilled its responsibility for the preparation of the financial statements in accordance with the applicable financial reporting framework, including where relevant, their fair presentation.

Ernst & Young LLP

Atria One

144 Morrison Street,

Edinburgh, EH3 8EB

[Date]

This letter of representations is provided in connection with your audit of the financial statements of Forth Valley College ("the College") for the year ended 31 July 2017. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the College financial position as of 31 July 2017 and of its income and expenditure for the year then ended in accordance with applicable law and the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

We understand that the purpose of your audit of our consolidated financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with applicable law and the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.
2. We acknowledge, as members of management of the College, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the College and its group in accordance with applicable law and the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the College, we believe that the College has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with applicable law and the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

B. Fraud

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the College's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the College.

C. Compliance with Laws and Regulations

1. We have disclosed to you all identified or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

D. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

D. Information Provided and Completeness of Information and Transactions (continued)

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the Board of Management of the College and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meetings.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the College's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. We have disclosed to you, and the College has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties.
4. No other claims in connection with litigation have been or are expected to be received.

F. Subsequent Events

1. As disclosed in the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements

or notes thereto.

G. Going concern

1. We have not identified any material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Remuneration Report, the Performance Report, the Annual Governance statement and the Statement of Responsibilities.
2. The disclosures within the Performance Report and Governance Statement reflects our understanding of the financial and non-financial performance of the College over the reporting year, is consistent with the financial statements and has been prepared in accordance with Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council
3. The information given in the Governance Statement for the financial year for which the financial statements are prepared reflects the College's governance framework, is consistent with the financial statements and that report has been prepared in accordance with the financial statements.
4. The information contained in the auditable part of the Remuneration Report has been prepared in accordance with Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

I. Regularity

1. We confirm that in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers

Yours faithfully,

Principal

Chair of the Board of Management of the College

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About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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To be printed and signed on College letterhead

Ernst & Young LLP

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[Date of approval of financial statements]

This letter of representations is provided in connection with your audit of the financial statements of Forth Valley College (“the College”) for the year ended 31 July 2017. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the College financial position as of 31 July 2017 and of its income and expenditure for the year then ended in accordance with applicable law and the Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

We understand that the purpose of your audit of our consolidated financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

- A. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with applicable law and the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.
- B. We acknowledge, as members of management of the College, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the College and its group in accordance with applicable law and the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.
- C. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
- D. As members of management of the College, we believe that the College has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with applicable law and the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Further and Higher

Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

B. Fraud

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the College's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the College.

C. Compliance with Laws and Regulations

1. We have disclosed to you all identified or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

D. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the Board of Management of the College and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meetings.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the College's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. We have disclosed to you, and the College has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties.
4. No other claims in connection with litigation have been or are expected to be received.

F. Subsequent Events

1. As disclosed in the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Going concern

1. We have not identified any material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Remuneration Report, the Performance Report, the Annual Governance statement and the Statement of Responsibilities.
2. The disclosures within the Performance Report and Governance Statement reflects our understanding of the financial and non-financial performance of the College over the reporting year, is consistent with the financial statements and has been prepared in accordance with Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council
3. The information given in the Governance Statement for the financial year for which the financial statements are prepared reflects the College's governance framework, is consistent with the financial statements and that report has been prepared in accordance with the financial statements.
4. The information contained in the auditable part of the Remuneration Report has been prepared in accordance with Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

I. **Regularity**

1. We confirm that in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers

Yours faithfully,

Principal

Chair of the Board of Management of the College

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1. Purpose

To seek Board of Management approval to change the Group Life Assurance Cover.

2. Recommendation

That the Board of Management discusses the attached Consultation Response Document and approves one of the recommended options below.

- Reduce the Group Life Assurance Cover to one year's Death in Service
- Offer the current scheme of 2 years salary to those who opt out of the pension scheme only
- Reduce the current scheme to 1 years salary for all existing staff and phase out over a 3 year period
- Remove the scheme completely

3. Background

Forth Valley College has, for a number of years, provided Group Life Assurance Cover as a non-contractual staff benefit payable at the discretion of the Board of Management. This benefit pays out 2 years' salary to the next of kin of an employee who passes away whilst an employee of the college. The benefit ceases when the employee reached the age of 70. This is a requirement of the insurers and not of Forth Valley College.

All staff in either SSPA or LGPS already have Death in Service of 3 times their salary

4. Key Considerations

The cost to the College of offering this benefit has increased significantly in recent years owing to the number of claims made. In order to mitigate the impact on College budget, a review into this benefit was conducted to identify potential other options to the existing arrangement.

Following agreement with the Board, an extensive consultation process with both staff and unions was undertaken. The feeling is that the removal of this benefit would have a detrimental effect on staff and their families. Throughout the consultation staff did recognise the need for the College to manage its finances effectively and efficiently however felt that the removal of this benefit was not in the best interest of staff who have been loyal to the college for a number of years.

Responses included the following:

- The short timescale suggested in the removal, not offering a lot of time for individuals to make other arrangements.
 - Employees could pay a contribution towards the benefit out of their salary.
 - The current Death in Service benefit is valued by staff and has been taken into account by staff members when they have been planning life cover / personal circumstances. In many cases staff will not have any alternative cover in place apart from the existing SSPA pension arrangements.
-

- Staff who have opted out of the SSPA or LGPS pension arrangements may be left without any life cover unless they are able to replace this benefit with their own cover.
- A phased process (over 1-2 years).

Others commented that they feel in tough economic times, the death in service benefits would assist immediate and extended families to overcome the death of a loved one. The thought of losing the Death in Service, and relying on life insurance, which is predominantly linked to a mortgage, would be devastating to the majority of staff. The Death in Service makes a vital difference relating to family accommodation, funeral costs and paying off bills enabling the bereaved to move forward without any major burdens.

Many said they can appreciate that the College is looking to make financial savings were it can, however, the priority of Management must be good will and staff relations and not this type of cost cuttings exercise to its workforce.

As expected the responses are against the withdrawal of this scheme.

5. Financial Implications

Over the years the premium has increased from £39,703 in 2012/13 to £77,643 for 2016/17 as a direct result of the number of claims made over a four year period totalling £417,479

The college had paid £332,910 in premiums since 2012/13

The cost of life cover at one times annual salary could equate to £41,163 pa, subject to any change in conditions.

6. Equalities

Assessment in Place? – Yes No

Not applicable

7. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		
Low	x	x
Very Low		

Please describe any risks associated with this paper and associated mitigating actions –

The risk would be low a three year phased period would allow staff to plan ahead

Risk Owner – Andrew Lawson

Action Owner – Ralph Burns

8. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes

No

Health and Safety – Yes

No

Paper Author – Andrew Lawson

SMT Owner – Andrew Lawson

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Consultation on Proposed Change to the Group Life Assurance Cover

Feedback from Employees

October 2017

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Summary of responses

As a result of the circulation of the consultation document on the Proposed Change to the Group Life Assurance Cover, Human Resources received 18 individual responses and 3 from the union EIS.

Comments

Twenty-one responses were received - 18 from individuals and 3 from EIS. The figures below include both individual and EIS responses

1. Several comments were made regarding the cost of private cover, highlighting it has previously been part of making personal financial decisions and could impact individual borrowing ability.
2. Five responses note that they appreciated the cost to the college and they need to make savings.
3. Eight expressed disappointment at the decision using words like angry and upset; devastating; saddened; disagreement; and unease.
4. Five commented on the short timescale suggested in the removal, not offering a lot of time for individuals to make other arrangements.
5. Seven described the benefit as an attractive benefit and a good selling point to attract talent.
6. Six felt the decision poor for employee relations.
7. Five comments were made relating to minimal pay increases for support staff of recent years adding the removal of this was essentially a pay reduction.
8. Three made reference to implied contract "custom and practice" and removing the commitment from the Working Practises Agreement.
9. A comment was made regarding travel between campuses increasing the risk of fatality on the road (assumingly that the DIS was similar to corporate insurance).
10. One response highlighted that the document read as if the consultation was a "done deal" and as the email address provided was the Human Resources email some staff may not have responded as they felt uncomfortable doing so.
11. It was suggested unfair to compare against other colleges who although do not offer the cover they may offer other benefits.
12. One stated removing was unfair on those who had joined Forth Valley College based on the benefit.

Suggestions

1. Eight responses proposed employees could pay a contribution towards the benefit out of their salary.
2. Three responses questioned whether the college had looked for an alternative (cheaper) provider.
3. Four responses requested a phased process (over 1-2 years).
4. Three responses asked whether the level of cover could be reduced to keep the benefit.
5. Two responses suggested not offering the benefit to new employees.
6. Four responses queried if the money could be saved elsewhere (including two comments regarding cost of the Alloa workrooms)
7. Three suggested looking at those who are lower paid, potentially offering a low contribution rate pension or Death in Service Scheme to those not in a pension.
8. One asked if the £39k could be put into a fund for discretionary payments to be made to families.

9. One proposed that those who choose to work beyond retirement age stop being eligible.
10. One suggested removal results in replacement benefit of salary increase or holidays.

Individual Feedback

1.

I have studied the proposal for removing the Death in Service with great interest and can fully appreciate the stance that SMT is taking with regards to terminating this benefit given its prohibitive cost. I considered this benefit to be of utmost importance giving me the reassurance that my family will not experience financial hardship in the event of my death. However, I appreciate that economics take precedents over our best wishes.

I would humbly make the following suggestions for consideration by SMT. According to my calculations the insurance premium of £75,000 per annum to cover 400 lecturing staff will result in a premium of between £15 to £20 per lecturer per month. From personal experience I can confirm that the same premium paid by myself privately would only provide a cover of only around £20,000 vis a vis two times my annual salary. Therefore, given the choice I would much rather pay the £20 premium directly from my salary into a college fund for protection against death in service. I believe if we are given the choice then most of us would opt in for this method of cover than having no cover at all.

If you consider my proposal worthy of consideration then please let me know and I shall raise the suggestion at the next Union meeting.

2.

I feel extremely angry and upset at the decision to remove the College Death in Service payment and feel it is yet another benefit taken from its loyal and long serving staff members.

I have given the college 35 years service and recently seen the erosion of rewards and recognition along with minimal or no pay increases, all of which we have just had to accept. This just adds insult to injury and demonstrates how little staff service and contribution are valued or recognised.

3.

Personally I disagree with the board of management closing this scheme ,there are among us people whom work for the college that simply couldn't afford to survive financially after the death of their partner and are possibly finding it hard to live as it is without having to pay for something else
I'm sure there are other cost cutting adventures that could be made to safe guard this one

4.

In response to the Death in Service consultation, a few points that I would like to raise for consideration:

- Death in Service is a positive benefit, and one which has been positively sold to staff for a significant period of time, and it is disappointing to see this lost
- The notice period is extremely short, and the complexities and individual cost of organising life cover are an additional cost which will have to now be met from individuals' wages. This is in essence a reduction in pay and therefore a reduction in standard of living
- The period of time noted is extremely tight to make alternative arrangements, consult financial planners etc – a year's grace would be the minimum required here
- If there is a £35,000 gap but the college can still meet £35,000 of costs budgeted, it would be better to have a reduced death in service offering rather than completely losing the benefit
- The benefit is the very first thing on the list of employee benefits – many recent employees have been told about this, and it has a negative impact to withdraw this
- The college offers very few actual benefits, so the point in the consultation paper that we are the only college to offer this benefit, should actually be painted as a positive rather than a reason to get rid of something. While other colleges may not have this particular benefit, many offer benefits that we do not have. We shouldn't indulge in a race to the bottom to achieve the smallest number of available benefits.

5.

The current Death in Service benefit is valued by staff and has been taken into account by staff members when they have been planning life cover / personal circumstances. In many cases staff will not have any alternative cover in place apart from the existing SSPA pension arrangements. Staff who have opted out of the SSPA pension arrangements may be left without any life cover unless they are able to replace this benefit with their own cover.

The timescales do not leave staff a great deal of time to make alternative arrangements which in many cases might be costly - can the removal be phased out for example by reducing the cover to one year's salary for a period of time before removing it completely giving staff time to make explore other life cover options?

Could staff be offered the option making up the difference in the premiums through a payroll levy? Thus maintaining the cover at no extra cost to the college.

6.

In terms of feedback to the proposed withdrawal of staff death in service benefit I comment as follows;

- The consultation document mentions we are possibly the only College offering these terms – surely this should be promoted as a positive in terms of attracting and recruiting staff
- In terms of overall cost versus the number of staff it would appear value for money relative to other insurance policies offering the same terms
- Can we consider asking staff who wish to remain and pay their own premium then FVC consult with insurance companies on behalf of the staff
- Many staff won't have any other private insurance or SPPA cover in place and as a result of this change will therefore need to source new cover at an enhanced premium dependant on age
- Consideration be given to phasing out any proposed changes over an agreed period of time
- If the cost saving is seen as critical consider other options where an equivalent if not greater financial cost saving can be made

7.

Looking at this using rough maths the cost is £70,000 and we have roughly 700 staff, therefore for a contribution of £100 each per year we could maintain this benefit at no cost to the college, this would be a valid option for a lot of our staff and particularly the older ones whose premiums for 3 years salary cover would be nearer £400 per year and involve medicals etc, this is unfair considering staff were relying on this and have not taken up cover at a younger age which would have been considerably cheaper.

If all staff do not want to participate then hopefully reduced numbers would align to reduced cost.

May be a good news story for supporting staff and people strategy.

8.

I have a staff member <name removed> who has just been diagnosed with <condition removed> that needs operated on, <name removed> has been here for 40 years with death in service cover. Given <name removed> current situation it would be almost impossible for <name removed> to arrange alternative life cover.

Therefore if the cover is being withdrawn can it be after a reasonable period of say 2 years so no one is in this situation.

9.

I write to express my concern regarding the proposals to remove the Death in Service Benefit. Whilst I am aware that it is indeed a non-contractual benefit, and can be revoked at any time, I do not feel that this is perhaps the best time to be making such a decision.

I am not currently in the pension scheme, and importantly the reasons pertain to affordability. I simply cannot afford to contribute to a pension scheme at this time. I am a part time member of staff who, whilst at the top of my current pay scale, has been subject to significantly (and often insultingly) low pay rises for the majority of my employment. Whilst I understand that we are in a period of austerity, these pay increases have simply not kept pace with the cost of living (costs - which include childcare that enables me to come to work). My point being, is I don't have a death in service payable through a pension scheme, and actually the college death in service benefit was actually a large motivator for me continuing my employment here.

Furthermore, simply to state that it would save the college money – is not the best policy argument that will win the hearts and minds of your staff.

Should the College go ahead with this decision regardless of widespread objection (which is the outcome I expect), it would be of benefit for the organisation to demonstrate how it intends to spend the additional £75,000 savings, or whether this cash would simply be removed from the total expenditure. Transparency is key to these processes in fostering trust from your workforce. Would it not be best to keep Alloa workrooms as they are, and save the money you would spend there – in order to pay for another couple of years of this???

At the moment it appears that everything is to be taken away for the staff. We are drastically under-resourced as a service at the present time, and are continually expected to do more with less. I got into this job to make a positive difference to the education of the young people who come here, those who are already disadvantaged. I enjoy doing so, and as such, have taken the rough with the smooth over the past 10 years, however upon seeing this decision, I simply cannot remain silent.

If you cannot offer it to all employees, are there some that you could afford to offer it to? i.e. those who are on low-paid wages or those whom are not in the pension scheme – thereby ensuring that there are some of your staff, who may die in your service, whose families will receive some kind of financial compensation when they otherwise wouldn't get anything else. I ask you to consider when making any changes to our working lives with FVC, that you consider not what you 'have' to give us, but what kind of employer you want to be.

The Unions, I am sure will develop a more coherent argument which includes statistics etc. however I thought it was worthwhile me making my point directly.

10.

With regards to the above proposal, I feel in tough economic times, the death in service benefits would assist immediate and extended families to overcome the death of a loved one. The thought of losing the Death in Service, and relying on life insurance, which is predominantly linked to a mortgage, would be devastating to the majority of staff. The Death in Service makes a vital difference relating to family accommodation, funeral costs and paying off bills enabling the bereaved to move forward without any major burdens.

I can appreciate that the College is looking to make financial savings where it can, however, the priority of Management must be good will and staff relations and not this type of cost cutting exercise to its workforce.

11.

My thoughts on the removal of the Current Death in service are below:

I found that this is an attractive part of the benefits scheme and has made a personal difference to me with regards to mortgage and personal life insurance that I used to have when working with a previous employer. Given that support staff have not had a significant pay rise in the last 7 years then the cost of having to cover this will further erode my finances.

On a wider point I am concerned that some staff will not have any alternative cover in place apart from the existing SSPA pension arrangements and worse of all some staff will have opted out of the SSPA pension arrangements and may be left without any life cover unless they are able to replace this benefit with their own cover.

The proposed timescales do not leave staff a great deal of time to make alternative arrangements which in many cases might be costly - can the removal be phased out for example by reducing the cover to one year's salary for a period of time before removing it completely giving staff time to make explore other life cover options?

Or why can this benefit not be maintained for existing staff under a no detriment situation or could some kind of alternate contribution from staff be made to keep the cover in place at a lower cost basis, larger policy as opposed to individual arrangements?

12.

I just wanted to record my unease on the withdrawal of the Death in service benefit. Given the attractive pay deal that our lecturers have just secured, with no corresponding consultation for support staff, I feel that removing any of the benefits that we currently receive is a step too far.

Having this additional benefit beyond the pension scheme has meant that I have not felt the need to purchase additional life insurance for myself, so without it I would have to look at filling this gap and suffering the cost of this. It would effectively be a pay cut for me. If the College does need to withdraw this benefit, then I feel that some sort of compensation should be given to staff, whether it be additional salary, or perhaps extra holiday days.

13.

Please note below my response to the proposed removal of the Death In Service benefit:

I find this to be an appealing element of the benefits scheme as it supports with mortgage and life insurance cover. Given that support staff have not had a significant pay rise in the last 7 years, having to cover this will impact on personal finances.

The proposed timescales don't leave staff a great deal of time to make alternative arrangements which could be costly. Can this benefit not be maintained for existing staff under a no detriment situation or could some kind of alternate contribution from staff be made to keep the cover in place at a lower cost basis?

14.

In response to the proposed change to the group life assurance cover. I firmly believe that this staff benefit should remain.

I appreciate the significant hike in premium to c.75k, however this policy is a particularly attractive staff benefit and therefore worthwhile in my opinion. Benefits like the life assurance cover will no doubt help attract and retain talent for FVC, its removal will have other consequences for staff including:

- Borrowing ability (mortgage)
- Additional expenses should they wish to invest personally in a life policy

15.

I would urge the senior management team to reconsider the proposal of doing away with the current 'death in service' cover. I am strongly opposed to this idea for a number of reasons: -

- (1) Although the consultation document indicates the benefit is non-contractual and discretionary I do not believe this to be the case
 - a. It has been offered as a benefit to staff since I joined the college in 2004 (and as far as I am aware has been available for far longer) This could indicate an implied contractual entitlement due to the length of time it has been seen as a benefit
 - b. All deceased staff member's families have benefited from the cover (ie it has never been discretionary – all were afforded this), therefore custom and practice dictates it has and does form our contractual entitlement
- (2) I have made financial decisions on the back of this entitlement; having had this available to me for almost 14 years my current level of personal cover would be insufficient to safeguard my home for my sons in the event I die. I personally rely on the cover afforded by the college and was very grateful for this.
- (3) It is benefits like these that make working for the college attractive. We are not a private sector organisation that can benefit staff with bonuses and performance based pay. We rely on other benefits such as these to attract and retain good staff
- (4) It is not in the interests of good employee relations; the college has enjoyed very good employee relations over a long number of years. I am proud to be a part of Forth Valley College; but I think the timing of this decision is very poor
 - a. A number of us have had to deal with very recent grief on account of the passing of our colleagues – staff in the department were reassured by the cover their deceased colleague's family were afforded as a result of this cover being in place. To consider removing this at this stage is a harsh one as emotions are still raw
 - b. Recent industrial action (albeit as a non-union member I was not directly involved); but it was not a nice time, relations were poor within and across departments between colleagues. I personally felt we were getting back on track again and to receive this news is a further blow. I would be very worried that we may run the risk of entering a period where we begin to see the removal of discretionary effort from our staff on account they feel the psychological contract has been damaged
- (5) I fully appreciate the decision will not have been taken lightly and I fully understand it is a business decision which is financially driven. However; there is no mention in the consultation document as to steps which have been taken to seek out alternative quotes which may be cheaper and more attractive to the college. Furthermore, a cost of £75,000 per year in the scheme of things is not a lot of money and I am sure (as indicated above) the college would lose out on more by cutting this benefit at this stage. I really think the benefits in this case far outweigh the costs.

16.

Whilst this is considered a non contractual benefit, cover has been in place since I joined the college over 26 years ago, therefore is custom and practice

Individuals have made decisions regarding what level of additional cover they may or may not require to take out elsewhere based on this cover being available to their families in the event of their death

It is stated in the document that 'benefits are payable at the discretion of the Board of Management ...' In my 26+ years in the employment of the college I am unaware of any occasion where this has not been made available to bereaved families on the passing of a colleague

Some staff may find themselves unable to obtain alternative, affordable cover based on their circumstances eg age, ongoing health issues. Or may not be able to obtain cover at all.

The document also states that 'Forth Valley College is the only Scottish College to offer 2 x the employees' annual salary etc....' – isn't that a good point and one which sets us apart from other colleges in the sector and which would help attract, and keep, staff?

Have alternative providers of equitable cover been sought?

Has SMT considered closing the scheme to new employees leaving cover in place for existing employees?

I would urge SMT to reconsider their position on the matter and continue to offer this benefit on the basis it is currently available.

17.

Would like to give my feedback on the above cover. I believe that this is beneficial to staff as the college ask us to travel between campus and anyone could be involved in a road accident which could end with a fatality, so I believe that this cover should be there to protect us if this was to occur when in works time.

18.

I'm saddened by the colleges sudden decision to remove the 'Death in Service' benefit to existing employees. On starting my career as a college employee some years ago, I was comforted by the fact that my loved ones would not suffer the additional burden of financial implications in the event of my death.

If this decision is financially driven, clearly to manage a more cohesive solution for all parties concerned it may be an option to consider the following;

New Contracts – Employees are not entered into this scheme.

Staff choosing to work at FVC beyond their designated Gov't retirement age may no longer be eligible for this benefit?

EIS Submissions

1.

Please see below the comments we have received to date regarding the consultation for the Death in Service.

Thoughts – the case looks quite clear cut but harsh. £75k per annum is not that much to provide a really good benefit for hundreds of staff. Premiums could be reached if other provider sourced. It is a loss of benefit to non-pension scheme members (and pension scheme members) but they have the life assurance benefit within the pension scheme to fall back on.

The main issue is it seriously disadvantages those people in the college who haven't joined pension schemes due to cost which would typically be your lower earners/younger people. I would go as far to say that it is discriminatory to these people.

The compromise could be to amend the pensions scheme to allow people to join at lower contribution level/get less benefit but to get the life cover.

Surely what the unions should be pushing for is everyone at the college to have some form of life cover. They could have the Group Life Assurance cover for only those that are not members of the pension scheme.

Why could the £39,000.00 not be put into a fund where discretionary payments were paid to families of staff members dying in service could receive support for financial and other costs.

With regards to the proposal, I feel in tough economic times, the death in service benefits would assist immediate and extended families to overcome the death of a loved one. The thought of losing the Death in Service, and relying on life insurance, which is predominantly linked to a mortgage, would be devastating to the majority of staff. The Death in Service makes a vital difference relating to family accommodation, funeral costs and paying off bills enabling the bereaved to move forward without any major burdens.

I can appreciate that the College is looking to make financial savings where it can, however, the priority of Management must be good will and staff relations and not this type of cost cutting exercise to its workforce.

Could we suggest a minimal amount be deducted from our monthly salaries and each member of staff who would like to contribute to a group Life insurance policy because they would benefit from a group policy instead of an expensive individual policy.

A quote from the Working Practises Agreement states "As a demonstration of the Board of Management's commitment to its staff the Personnel Committee agreed to provide death-in-service insurance to all permanent members of staff." Does this mean there is no longer a commitment to its staff by withdrawing a benefit that has been in place for many years. Is this withdrawal connected to the recent vote of no-confidence.

Members who unfortunately have a serious illness and who are off long term sick can't access any form of insurance scheme at a reasonable cost.

2.

Please see below, further comments regarding the removal of the Death in Service benefit.

I would like to register my disappointment that Forth Valley College is considering removing the Death in Service insurance cover, it is very short sighted for very little in savings. None of us know if we might need this for our love ones to ensure they are able cope with sudden death for whatever reason.

I feel strongly about the removal of Death in Service.

Firstly, I'm aware of a colleague who can not afford private monthly health insurance due to a non life-threatening, pre-existing condition (Crohns). Therefore, I'm sure there will be others in a similar situation. They will rely on this money should the worse ever happen. I am confident that the employee benefits (in terms of stress reduction, loyalty and motivation) must outweigh the College's financial investment.

Secondly, has the college "shopped around" to try and find a cheaper insurer?

Finally, if the College does remove the Death in Service benefit, would it be possible to start a voluntary scheme with money taken out of your monthly salary? Surely, with economies of scale, the scheme would only cost a few pounds per month!

3.

The way that the 'consultation' has been presented is worrying with the college making it very clear they are within their rights to withdraw the benefit – I think this may have made some members of staff not share their concerns about the benefits being removed as the information could have appeared as being a 'done deal'

The fact that non-union members were only able to respond to the human resources inbox was also a worry – if the college wanted honest feedback then I don't believe staff would be comfortable in giving that via the human resources email address.

I strongly disagree with the proposal to remove the death in service benefits – particularly due to the fact that this would most seriously affect the lowest paid members of staff in our organisation – the people who earn the lowest salaries and who potentially cannot afford to pay into the pension scheme or take out personal insurance policies. As an organisation, I believe this reflects extremely badly on us and I think the college should reconsider how they are treating, potentially, the most vulnerable people amongst our workforce.

I think it is unfair that the college compares the death in service benefit to other colleges in Scotland – whilst national bargaining is coming to a conclusion – there is also still significant differences in the benefits that colleges offer to their employees and that this should not be used as a reason to remove the benefit.

For staff who have joined the organisation, knowing the benefits on offer, it seems very unfair that this is then removed.

Whilst I'm sure staff can appreciate the rise in the cost of the policy – I think many staff would be concerned that the benefit is being removed on the basis of its cost due to the spending in other areas of the college e.g. new workrooms and I would be keen that the college consider savings in

other areas of the college rather than removing a benefit which best serves our lowest paid members of staff.

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1. Purpose

To inform members on recent activity of FVSA.

2. Recommendation

That members note and comment on the operational plan and Student Association update.

3. Key Highlights

This year is shaping up to be another successful year for FVSA. There have been high levels of student engagement across the College, and both the officers and staff members have been working hard to ensure that the SA are achieving and where possible exceeding our objectives.

So far 179 class reps have been trained, with over 170 students giving positive feedback on the training delivered.

The Vice President is continuing the successful SMHFA training for students, with a further 80 students scheduled to attend sessions by the end of February.

The elections for voluntary Executive and Liberation Officers are now complete, the following candidates have been elected:

Liam Slaven- Executive Officer
Regina Nurney- Executive Officer
Claire Green- Disabled Students Officer

There will be a by-election at the beginning of block two for the remaining vacancies, as there has been continued interest in the other roles since the nominations closed.

Please see attached the manifesto for each of the successful candidates.

4. Financial Implications

Please detail the financial implications of this item – The SA has an operational budget and all activities are planned within this budget.

5. Equalities

Assessment in Place? – Yes No

If No, please explain why – Some of the planned activities will require impact assessment, however this will be done on an individual basis.

Please summarise any positive/negative impacts (noting mitigating actions) – n/a

6. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		
Low	x	x
Very Low		

Please describe any risks associated with this paper and associated mitigating actions –n/a

Risk Owner - Alan Buchan

Action Owner - Alan Buchan

7. Other Implications

Please indicate whether there are implications for the areas below.

Communications – Yes No

Health and Safety – Yes No

Please provide a summary of these implications - The operational plan will be published on Moodle for students to access. Printed copies will be required to be available for students at each campus office for accessibility.

Paper Author – Alan Buchan

SMT Owner – Andrew Lawson

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fvsa

Forth Valley Student Association

Student Association Update

November 2017

Last updated on: 10/11/17



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Key Highlights

Executive & Liberation Officer Elections

The nominations are now closed for the executive and liberation officer roles; there has been a high level of interest compared to previous elections. There were around 16 enquiries for the positions, 13 meetings with students to discuss the roles and a number of visits to discuss the elections and roles available within class groups.

Class Rep Training

The Student Association delivered 9 Class Rep training sessions across the College, to 179 students. So far this year the feedback on our new format has been overwhelmingly positive. Rob McDermott, Quality Manager, attended each session to carry out a Listening to learners training session, which should prepare class reps fully on supporting the College in gathering feedback. There are a further 102 reps still to be trained; invites have been sent out to these students to carry out online training.

SMHFA Training

Following on from last year, the Vice President has continued to provide SMHFA training on campus due to the high amount of students requesting it, and the prevalence of mental health issues being disclosed.

To date there have been 175 students/staff who have completed this training.

There are another 5 sessions booked in between now and February, there will be 255 students/staff trained by the end of the planned sessions. The majority of these are full class groups, at the request of lecturers and students.

Campaigns

#CarersCan Campaign

The Vice President is working on a campaign to develop awareness of and better support for student carers. Meetings have been held with local carer's centres, Carers trust Scotland and internal support staff. The campaign will include developing a student carer policy, a carer's passport and becoming accredited for supporting Carers.

Events

FVC graduations

The President and Vice President attended both Forth Valley College graduation ceremonies. It was an excellent opportunity to speak to previous students and celebrate their achievements.

FVC Student Tourism Conference

The Student President was invited to attend a conference organised for all Travel & Tourism students within the College. There were a number of guest speakers including Marc Crothall, Chief Executive of The Scottish Tourism Alliance and Tracey Martin, Economic Development Officer for Visit Falkirk.

Meetings

September

NUS Development Consultant

Sinead Lindsay, NUS Scotland Development consultant visited the Falkirk office to meet with the team and offer development support for the year ahead.

Stirling University- #isitOK campaign

The FVSA team met with Jill Stevenson, Head of Student Support Service and Astrid Smallenbroek, Student President to talk about their #IsitOK campaign which focuses on preventing and responding to violence against women. The Vice President is keen to work on streamlining the campaign to ensure visibility and impact amongst students in the Forth Valley Area.

October

Carers Trust

The Vice President met with Paul Traynor, Policy Development Consultant at Carers Trust Scotland to discuss best practice in supporting student carers.

CDN Article on Integrated Degree Program

The Student President was invited to an interview as part of an article that has been commissioned by College Development Network on Integrated Degree Programs. The article will focus on the benefit of the programs and how FVC work with Universities to deliver this.

Re-Union Meeting

The FVSA team visited Re-Union at Lock 16 of the Union Canal in Camelon. The organisation offers volunteering opportunities and training to the local community, and in particular support people recovering from addiction and those with mental illness. FVSA will be looking to support the organisation to offer volunteer opportunities to our students, and to support their work within the community through promoting the organisation.

FVC Entrepreneurship Meeting

The Student Liaison Officer met with Seem Arshad, Lecturer to discuss opportunities to develop entrepreneurship within the student body.

Chaplaincy Meeting

The Student President, along with Stephen Jarvie, met with Rev Dr Janet Foggie regarding the chaplaincy service at Stirling University, and gathered information on how a similar service could be implemented within FVC.

Engineering SVQ Apprentices Listening to Learners

The Student President attended an apprentice Listening to Learners session hosted by William Forrest, Curriculum Manager. The session brought together a number of class reps who had already conducted sessions within their groups to speak about issues facing apprentices across the department.

Futsal/Football sessions

The Activities and Volunteer Coordinator met with Waimun Lee to discuss setting up football five-a-side sessions within the Falkirk games hall. Students are interested in developing five a side teams and there is potential for students and staff to link up as there is already a staff five a side session that play regularly.

Appendices

Appendix 1 – FVSA Operational Plan

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Forth Valley Student Association

Operational Plan
Academic Year 2017/18

Last updated on: 10/11/17

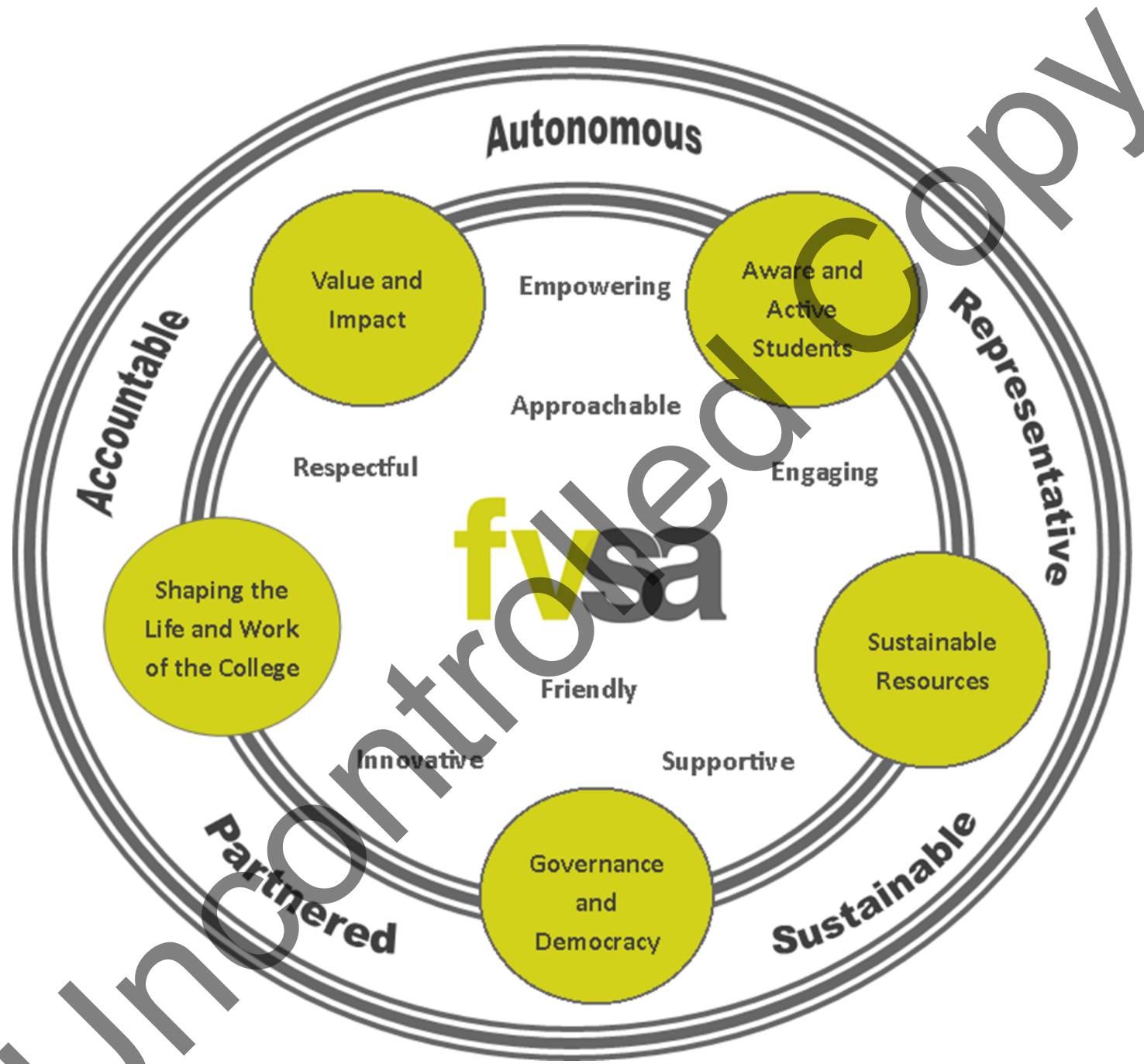
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Our Values

FVSA will always strive to maintain its core values and ensure that these values are represented in any of its actions.

Empowering

FVSA will always endeavour to give students the information required to make decisions on issues affecting student life and ensure that these opinions are taken into account.

Engaging

FVSA will maximise the number of opportunities for students to give feedback, both to the SA and to the College.

Approachable

FVSA will maintain an active presence on every campus and visibly identify themselves to students as often as possible.

Respectful

FVSA will respect the views of our students and will act on behalf of our students where possible.

Friendly

FVSA will always endeavour to have positive communications and good relationships with students and staff within the College.

Innovative

FVSA will maintain a forward thinking approach and work with the College in delivering new initiatives which benefit our students.

Supportive

FVSA will fully support our students when required and if necessary will refer them to support providers when we are unable to assist.

Operational Plan

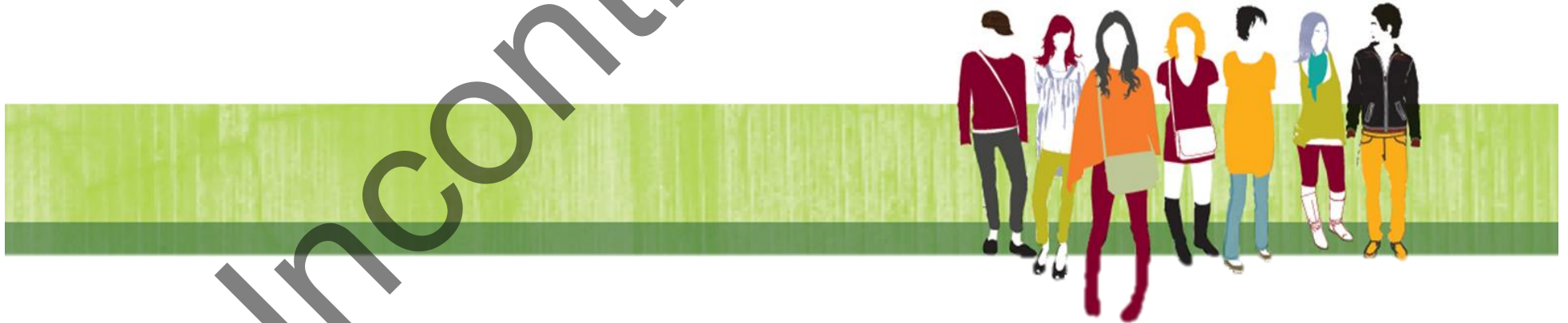
Forth Valley Student Association has developed an operational plan for the academic year 2017/18 which aims to maximise effectiveness for students. The plan has factored in a number of key goals, which were identified via student feedback, elected officer manifestos and tying in with the operational and strategic plans of Forth Valley College.

The Student Association aims to provide our students and partners such as the College with a clear identification of our priorities for the year ahead, and will allow the opportunity for our achievements to be measured.

The operational plan will tie into a two year strategic plan, which will set out a vision for the future of the Student Association within Forth Valley College. All plans will retain the core values of the Student Association and will reflect the voice of our students.

The Operational Plan will focus on five key themes which are set out in our Strategic Plan;

- Aware and active students
- Value and impact
- Shaping the life and work of the College
- Sustainable resources
- Governance and democracy



Aware and Active Students

Objective	Assigned to	Start date	Due Date	Status	Update/Evidence
Develop student led clubs & Societies in order to develop a sense of community across the college and tackle social isolation.	AVC	19/9/17	30/6/18	In progress	A number of enquiries have been made by students, including jujitsu and Futsal/Football.
Review the current Class Rep system to improve training materials and resources for class reps to improve skills and increase engagement. .	President/SLO	1/7/17	30/4/18	In Progress	Updated training materials are now in place, over 170 of the 174 responses providing positive feedback.
Develop a Department Rep system in order to develop future student leaders and bridge the skills/knowledge gap between class reps and elected Sabbatical Officers.	President/SLO	1/7/17	30/6/18	In Progress	Development of pilot in progress, FVSA will work with two Curriculum Managers to develop the role and implement a trial within Creative Industries and Tourism in Block 2.
Develop a Communications and Engagement Plan, in order to monitor and improve how FVSA communicates and engages with students.	All Team	1/7/17	18/7/17	Complete	Formal Communication/Engagement Plan in Place, reviewed at the end of session 17/18 which will form a communication and engagement strategy.

Value and Impact

Objective	Assigned To	Start date	Due Date	Status	Update/Evidence
Developing support for students through implementing liberation groups.	AVC/ Liberation Officers	1/8/17	30/6/18	In Progress	AVC developing networks internally and with local community organisations, as well as promoting liberation groups to students.
Collaborate with Student Services in order to engage student's pre entry, promote FVSA and identify the needs of incoming students.	President	1/10/17	30/6/18	In Progress	Plans in place for the year ahead, develop pre entry information and attend pre entry events in Summer 2018. Materials prepared, working to identify pre entry engagement opportunities
To work with both students and the College to develop the FVSA Strategic Plan (July 2018 – June 2020), in order to ensure students are driving the work of FVSA, and that the College are able to support the development of FVSA throughout the plan.	All team	1/1/18	30/6/18	Not Started	<ul style="list-style-type: none"> • Hold focus Groups with students/advisory group/SMT • Develop plans in line with College strategic direction. Pass completed plan onto incoming officer team to publish.
Update Student Contact Database to be able to better track student enquiries to increase contact with students to help them shape the work of FVSA.	Admin Assistant	1/7/17	18/8/17	Complete	<ul style="list-style-type: none"> • Update database • review functionality • train FVSA team on use

Shaping the life and work of the College

Objective	Assigned To	Start date	Due Date	Status	Update/Evidence
To increase support and awareness for young carers/carers throughout Forth Valley College by organising a student carers campaign.	VP	1/7/17	30/6/18	In Progress	<ul style="list-style-type: none"> • Effective policy in place • Carers Charter • Carers Pass • 'C' on registers denoting student Carers • Carers identified during induction/registration • Student Carers Report produced to evidence support requirements.
Develop a Mental Health Agreement between FVSA and FVC in order to improve support for students experiencing mental ill health.	VP	1/7/17	19/1/18	In Progress	<ul style="list-style-type: none"> • Mental health partnership agreement • Report produced on work carried out over the academic term 2017/18 and student feedback gathered through SMHFA training/events.
To work with the College and students who require earlier access to timetables to plan improvements to the current process.	President	1/8/17	30/6/18	In Progress	Set out plans for improvement, and review success through student/staff feedback.
To improve the sustainability of the Healthy Body Healthy Mind Committee in order to secure a long term commitment between the College and FVSA.	VP	5/9/17	17/4/18	In Progress	<ul style="list-style-type: none"> • Strategic Plan in place • Chair in place for session 18/19

Sustainable Resources

Objective	Assigned To	Start date	Due Date	Status	Update/Evidence
Secure appropriate funding for FVSA before current funding runs out in order to promote sustainability of FVSA and allow for development.	President/SLO	01/8/17	30/1/18	In Progress	Gather evidence in support of funding ahead of submitting a funding proposal to FVC Foundation.
To start a clubs/societies/sports fund, in order to develop a sustainable base for clubs to grow in line with the demands of students.	AVC/SLO	1/8/17	30/6/18	In Progress	Set up fund/process for allocation of funds to clubs/socs/teams. Identify ways to develop sustainable income to the fund. Fund now in place, developing fundraising methods to sustain fund.
Develop a multi-year plan to reduce carbon footprint of FVSA in order to promote environmental responsibility.	SLO	1/8/17	30/6/18	In Progress	Set targets to reduce travel/printing and monitor success in line with FVSA strategic plan.

Governance and Democracy

Objective	Assigned To	Start date	Due Date	Status	Update/Evidence
Pilot a new class rep training program which extends throughout the year via online training in order to improve the development of class reps and maintain engagement.	SLO	01/7/17	1/4/18	In Progress	Measure success via participation levels and feedback on the training materials/content.
Implement elections for executive/liberation roles in order to improve democratic representation within FVSA.	SLO	1/7/17	22/12/17	In Progress	Executive committee roles filled and elected officers engaging with FVSA decision making processes.
Develop training for students on submitting motions at student council in order to improve the ability of students to shape the work of FVSA.	AVC	1/8/17	1/10/17	In Progress	Awaiting materials from NUS Scotland to ensure the process is the same to improve accessibility of engaging with NUS.
Review all SA materials and promote accountability of Officers to students in order to ensure students are able to influence the work of FVSA and hold elected officers to account.	SLO/President	1/7/17	30/11/17	Complete	Materials in place and students supported in holding elected officers to account through class rep training information.
To set up an advisory group in order to provide strategic direction and support to the Students' Association and ensure that it is able to develop effectively in line with the <i>Framework for the Development of Strong & Effective College Students' Associations in Scotland</i> .	President	1/7/17	29/9/17	Complete	Group membership filled and meetings held, input to FVSA Strategic Plan.

Calendar of Events

Block 1 (August - December 2017)

Event	Date	Campus
Fresher's Fayre	19 th September 2017	Falkirk
	20 th September 2017	Stirling
	21 st September 2017	Alloa
Class Rep Training	17 th , 18 th & 19 th October 2017	Falkirk
	24 th & 25 th October 2017	Stirling
	26 th & 27 th October 2017	Alloa
Executive/Liberation Elections	October/November	All
1 st Student Council Meeting	20 th November 2017	Alloa
	22 nd November 2017	Stirling
	24 th November 2017	Falkirk
16 Days of Action	25 th November 2017 - 10 th December 2017	All

Block 2 (January - June 2018)

Event	Date	Campus
Re-Fresher's Fayre (Including HBHM Event)	6 th February 2018	Stirling
	7 th February 2018	Alloa
	8 th February 2018	Falkirk
Class Rep Training	20 th February 2018	Falkirk
	21 st February 2018	Alloa
	22 nd February 2018	Stirling
No Smoking Day	14 th March 2018	All
Student Association Elections	March/April 2018	All
2 nd Student Council Meeting	18 th April 2018	Alloa
	19 th April 2018	Falkirk
	20 th April 2018	Stirling

1. Purpose

To seek approval from the Board of Management for the FVC Operational Plan 2017/18.

2. Recommendation

That members approve the College's 2017/18 Operational Plan.

3. Background

The College's Operational Plan is a key component of our planning cycle underpinning the approved 2017-2022 Strategic Plan. Since the start of the year, we have undertaken a comprehensive consultation with staff, students, Board members and Stakeholders which resulted in the Forth Valley College's Strategic Plan 2017-2022 and was approved by the Board in June 2017. The Strategic Plan clearly articulates the why and the what we intend to do over the five-year time period however we will require sequential and annual operational plans to define how we intend overtaking all our objectives. It should be noted that resourcing for each plan is achieved through the annual budgeting process.

4. Key Considerations

The Operational Plan 2017-18 has been developed with all SMT across the six Strategic Themes of the Strategic Plan. Following discussion with the Strategic Development Committee, we have added a separate column for "What Success Looks Like" together with a rewrite of the narrative to ensure smarter language. Appendix 1 shows the completed Operational Plan, which uses the 19 strategic objectives from the five-year Plan as headlines. There are 46 Operational objectives for year one with ownership of the Strategic Themes throughout. Performance measures will be reported to SMT and the Strategic Development Committee on a quarterly basis. The Operational Plan will directly influence the Departmental Operational Plans and then to individual staff PRD's.

5. Financial Implications

Please detail the financial implications of this item – Resourcing for the Operational Plan 17-18 is undertaken through the annual budgeting process.

6. Equalities

Assessment in Place? – No

If No, please explain why – The Operational Plan 2017 – 18 is a top level planning document and covers year 1 of the five-year Strategic Plan. OP 21 ensures we will ensure all activities reflect the key principles of equality and diversity to achieve an inclusive organisation.

7. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High	*	*
Medium		
Low		
Very Low		

Please describe any risks associated with this paper and associated mitigating actions –

The Operational Plan is a key planning tool for the College and will dictate the direction of travel and resourcing requirement in order to overtake year one of the Strategic Plan 2017-22. Failure to have a plan in place will result in a scattergun of activity with no clear vision or direction.

Risk Owner – Ken Thomson

Action Owner – David Allison (reporting)
Stephen Jarvie (Author)

8. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes – through eFOCUS as an internal document and circulated to all Heads

Health and Safety –No

Paper Author – Ken Thomson

SMT Owner – Ken Thomson

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OPERATIONAL PLAN 2017-18


Forth
Valley
College
Making Learning Work

www.forthvalley.ac.uk

INTRODUCTION

Forth Valley College continues to be at the forefront of further and higher education provision in Scotland. The Board of Management and I are proud of the position we have and we recognise that to build on this we need to continue to be ambitious, creative and committed to “Making Learning Work”.

The College’s Strategic Plan 2017-2022 outlines these ambitions for the future and we recognise that these are only feasible with the buy in and support of all staff. To direct the activities of the College, this Operational Plan clearly lays out the activities to be undertaken in 2017/18 and I would encourage everyone to support the targets in this plan through their own operational planning and PRD processes.

Strategic Theme 1 - Creating a Superb Environment for Learning

SMT - Tom Gorman

Strategic Objective - We will maximise benefit from first class facilities, resources and services			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP1 - providing flexible learning spaces and environments, delivering benefits to our students, our community and local employers	<ul style="list-style-type: none"> Finalise all room layouts for new campus New Falkirk Campus build progressing in line with established programme Completion of staff survey on new pilot staff workrooms 	<ul style="list-style-type: none"> Layouts approved by Heads and provided to contractor Substructure and steel frame completed Feedback used to update the design of the workrooms in the new Falkirk Campus 	July 18 July 18 May 18
OP2 - increasing flexibility in opening hours to maximise use of campuses all year round	<ul style="list-style-type: none"> Refreshed College calendar and opening hours 	<ul style="list-style-type: none"> Plan for resource maximisation of College facilities taken to SMT for approval and all changes communicated to staff, students and relevant stakeholders 	March 18
OP3 - providing an effective life cycle and maintenance strategy across all our campuses	<ul style="list-style-type: none"> Successfully embed SERVEST as new FM provider Ensure contracted service levels are met at all times 	<ul style="list-style-type: none"> Signing of SERVEST FM contract Monthly management meetings to review progress 	October 17 Monthly

Strategic Objective - We will deliver a new Falkirk campus			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP4 - securing the funding, appointing a main contractor and managing the successful completion on time and within budget.	<ul style="list-style-type: none"> Approval of funding for main contract Appoint main contractor Ensure project compliance with timescales and budgets Continue governance oversight of project 	<ul style="list-style-type: none"> Written confirmation from Scottish Ministers Sign main build contract Monthly reports from main contractor and project manager monitoring programme and budget Regular reporting to the Falkirk Campus Project Board 	September 17
			September 17
			Monthly
			Monthly

Strategic Objective - We will deliver fully flexible and digitally enabled campuses which are future proof and fully enabled for our learning communities			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP5 - support enhanced, flexible digital environments for students	<ul style="list-style-type: none"> Identify most appropriate model for the College based on needs of students and staff Live pilot projects in place 	<ul style="list-style-type: none"> Plan for pilot areas developed and KPIs developed for monitoring to measure positive impact New systems developed, tested and deployed 	December 17
			July 18
OP6 - a College wide Creative Learning and Technologies strategy which is embedded throughout all campuses	<ul style="list-style-type: none"> Achieve first year objectives of 5 year plan underpinning Creative Learning and Technologies Strategy Utilise experience of first year objectives to inform 	<ul style="list-style-type: none"> Achievement of all first year Pls Updated FF&E procurement proposals 	July 18
			July 18

Strategic Objective - We will embed sustainability, equalities and health and safety			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP7 - deploying and evaluating innovative approaches to sustainability and energy conservation, embedding technology and reducing our carbon footprint.	<ul style="list-style-type: none"> Implement Strategic Travel Management Plan Continue to reduce the College CO2 footprint to support ambition of 25% reduction from 2008/9 levels by 2020 Work with departments to increase awareness of sustainability amongst students Monitor and achieve targets for BREAMM in new Falkirk Campus construction 	<ul style="list-style-type: none"> Reducing College annual miles travelled to below 295,000 miles for 2017/18 Improvement on existing reduction levels (20.63% in 2016) Evidence via "Listening to Learners" activity and increase from 77% awareness levels in 2015/16 Monthly Project Manager reports showing positive movement towards BREAMM targets 	July 18
			July 18
			July 18
			Monthly
OP8 - promoting a positive record for health and well being	<ul style="list-style-type: none"> Contribute to the enhancement of the College's Health and Safety position 	<ul style="list-style-type: none"> Achieve KPIs contained within health and safety strategy 	July 18

Strategic Theme 2 - Cultivating a vibrant learning organisation where learners develop skills, achieve qualifications valued by industry and progress seamlessly

SMT - Fiona Brown

Strategic Objective - We will deliver streamlined and successful learner journeys			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP9 – working with partners to enable effective and efficient learner journeys through the whole education system	<ul style="list-style-type: none"> Develop and strengthen school/college partnership activities including Foundation Apprenticeships and Senior Phase Vocational Pathways and wider pupil inspiration activity Maximise opportunities for students through additional articulation agreements Lead on the development of a Forth Valley Strategic Senior Phase Partnership (School/FE/HE) to deliver on two enhancement projects 	<ul style="list-style-type: none"> More than 80% of 2018-2020 Foundation Apprenticeship places filled Senior Phase targets in Regional Outcome Agreement for 2017-2018 of 380 senior phase students studying vocational qualifications and 5100 credits for school-college partnership achieved 	August 18
			July 18
		<ul style="list-style-type: none"> Articulation targets in Regional Outcome Agreement for 2017-2018 of 157 students articulating achieved Forth Valley Strategic Senior Phase Partnership group has met three times and has: <ul style="list-style-type: none"> Published a joint STEM Learning Strategy for Forth Valley Successfully delivered one further project, which has yet to be agreed 	July 18
			July 18

Strategic Objective - We will deliver streamlined and successful learner journeys (continued)			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP10 - actively engaging employers with curriculum design to meet future skills demand	<ul style="list-style-type: none"> Evaluate current employer engagement arrangements across the College curriculum Evidence of active employer engagement in curriculum planning across all subject areas Evidence of increased employer engagement in curriculum delivery e.g. work experience for students 	<ul style="list-style-type: none"> SWOT analysis of employer engagement in curriculum evaluation and design completed The arrangements for and outcomes of employer engagement in curriculum planning are clearly documented Work experience targets of 600 full-time students in Regional Outcome Agreement achieved 	December 17
			April 18
			July 18

Strategic Objective - We will maximise creative and digital approaches to learning			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP11 - adopting and engaging, collaborating and creating blended approaches to learning	<ul style="list-style-type: none"> Establish a baseline of creative learning practice across the College Establish a learning and teaching mentoring programme which supports staff to develop their practice and to provide evidence for College evaluation Scope the development of a creative learning space for staff collaboration and experimentation 	<ul style="list-style-type: none"> Survey completed, results analysed and reported to CLLG and actions agreed 30 lecturers have participated in mentoring and resulting enhancement actions are included in team evaluation reports Pilot "Moodle Bar" established on one campus 	July 18
			August 18
			July 17

Strategic Objective - We will maximise creative and digital approaches to learning (continued)			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP12 - having staff and students who are digitally competent and confident	<ul style="list-style-type: none"> Establish baseline position of digital skills of all staff Develop a digital competence framework for staff Develop an approach to assessing students' digital competence 	<ul style="list-style-type: none"> All teaching staff have completed digital capability skills audit Digital competence framework for learning and teaching developed Learning resources available for teaching staff for all priority digital competences Working group for assessing students' digital competence formed and small scale pilot planned for 2018-2019 and approved by CLLG 	January 18
			July 18
			July 18
OP13 - providing resources to support learning which are available digitally; inclusive; and accessible	<ul style="list-style-type: none"> Complete an audit of existing digital learning resources Create an accessible and customisable digital template for learning resources Develop and evaluate models of digital assessment 	<ul style="list-style-type: none"> All existing Moodle courses have been audited against a consistent standard Template(s) created, made available and publicised to all teaching staff Digital assessment models defined, disseminated and support materials produced 	July 18
			July 18
			July 18

Strategic Objective - We will prepare our students to stand out in the future job market			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP14 - preparing successful students for positive and sustainable destinations	<ul style="list-style-type: none"> All team evaluation reports identify and track appropriate actions to increase student retention and success Work with schools to increase percentage of Forth Valley school leavers coming to the College Sustain current high levels of leavers moving into positive destinations 	<ul style="list-style-type: none"> Regional Outcome Agreement targets for student achievement met (71% FE FT, 75% HE FT, 91% FE PT, 89% HE PT) Baseline levels for school leavers progressing to college identified and 2% increase achieved Regional Outcome Agreement target of 94% of full-time 2016-2017 college leavers in positive destinations achieved 	September 18
			August 18
			March 18
OP15 - developing students whose skills ensure the best opportunity in the job market	<ul style="list-style-type: none"> Work with students to ensure they understand and develop the skills valued by employers Increase the number of students benefiting from work experience as part of their College programme of study 	<ul style="list-style-type: none"> Through 'Listening to Learners', over 90% of students identify the skills they have developed that are valued by employers Work experience targets of 600 full-time students in Regional Outcome Agreement achieved 	July 18
			July 18
			July 18

Strategic Objective - We will prepare our students to stand out in the future job market (continued)			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP16 - consistently being one of the top three Colleges in the Scottish FE sector for all student success	<ul style="list-style-type: none"> Increase student retention with a focus on full-time and school learners Increase student success with a focus on full-time All team evaluation reports identify and track appropriate actions to increase student retention and success 	<ul style="list-style-type: none"> Regional Outcome Agreement targets for student achievement met (71% FE FT, 75% HE FT, 91% FE PT, 89% HE PT) Regional Outcome Agreements for achievement of senior phase students on vocational qualifications of 70% achieved All programmes where student retention and/or success are at or below the national average or showing a downward three year trend have been subject to formal review 	September 18
			September 18
			September 18

Strategic Theme 3 - Instilling an energy and passion for our people, celebrating success and innovation

SMT - Andrew Lawson

Strategic Objective - We will deliver streamlined and successful learner journeys			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP17 - promoting an agile workforce, embracing innovation, facilitation, mentoring and peer support	<ul style="list-style-type: none"> Launch of People Strategy 	<ul style="list-style-type: none"> First year Operational Plan developed and implemented 	December 17
OP18 - developing future leaders ensuring effective succession planning	<ul style="list-style-type: none"> Enhance CPD provision through talent management initiative 	<ul style="list-style-type: none"> Identification of key roles Training plan designed and implemented 	February 18 May 18
OP19 - engaging staff in the future direction of the College and providing opportunities for professional development and collaborative initiatives to support our people	<ul style="list-style-type: none"> Utilise Cultural Survey to identify areas of improvement in engagement with staff Succession planning CPD opportunities by department 	<ul style="list-style-type: none"> 'Listening to Employees' process in place and actions identified for improvements Succession plan fully developed and CPD in place 	December 17 July 18
OP20 - delivering the benefits of a digital environment through capacity building and CPD that embraces emerging technology and practices	<ul style="list-style-type: none"> Support the implementation of Creative Learning and Technology 	<ul style="list-style-type: none"> Mandatory CPD developed and completed by staff 	July 18

Strategic Objective - We will ensure all College activities reflect the key principles of equality and diversity to achieve an inclusive organisation			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP21 - fully integrated equality and diversity	<ul style="list-style-type: none"> Equalities focus group created to embed equalities throughout the College in line with Equalities Action Plan 	<ul style="list-style-type: none"> Outcomes from group actioned and revised processes in place and implemented across the organisation 	May 18

Strategic Objective - We will value staff and students by recognising and celebrating success			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP22 - ensuring everyone across the organisation has an opportunity to help set the direction of the College	<ul style="list-style-type: none"> Deliver key component of People Strategy to consult with staff groups to match needs of individual and the College Engage with staff in Stirling Workroom Pilot to influence development of Alloa and Falkirk 	<ul style="list-style-type: none"> Training Needs Analysis in place and cross referenced across the organisation Lessons learned from Stirling Pilot identified and fed into Alloa and Falkirk design processes 	July 18
			February 18
OP23 – celebrating our staff and students	<ul style="list-style-type: none"> Engage with Student Association to assist in the recognition of student volunteering work 	<ul style="list-style-type: none"> Accreditation process in place for volunteering work 	July 18

Strategic Theme 4 - Leading as a business that is a champion for governance, financial control and balanced risk taking

SMT - Alison Stewart

Strategic Objective - We will maximise benefit from first class facilities, resources and services			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP24 - delivering approved budgets	<ul style="list-style-type: none"> Quarterly management accounts Year-end statutory accounts 	<ul style="list-style-type: none"> Budget approved by Board of Management met or exceeded 	July 18
OP25 - fully utilising resource allocations from SFC	<ul style="list-style-type: none"> Quarterly resource returns Fiscal year end resource return 	<ul style="list-style-type: none"> Resource budgets fully utilised with no reported underspends 	March 18
OP26 - identifying new partners and activity areas to grow income for reinvestment to benefit our staff, students and the community	<ul style="list-style-type: none"> Develop 5-year commercial plan for CompEx etc. Progress International Plan Raising awareness with Board of Management of progress with commercial ambitions 	<ul style="list-style-type: none"> 5 year commercial plan designed and implemented Operational planning in place to support delivery of International Plan Quarterly business development reports to Board Committees 	July 18
			June 18
OP27 - having excellent financial reporting systems which support medium and long term planning and best value investment	<ul style="list-style-type: none"> Financial reports available to support all decision making 	<ul style="list-style-type: none"> Reports met the need of the user – internal & external 5 Year Financial Forecast Report approved by Board of Management 	July 18 June 18

Strategic Objective - We will maximise value for money and efficient practices			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP28 - identifying opportunities for collaboration in service and procurement	<ul style="list-style-type: none"> Produce report on performance against Procurement Strategy 	<ul style="list-style-type: none"> Increased % of uptake of available collaborative frameworks 	July 18
OP29 - implement efficiencies through business transformation projects	<ul style="list-style-type: none"> Effective monitoring of all approved business improvement projects 	<ul style="list-style-type: none"> All anticipated savings realised 	July 18

Strategic Objective - We will lead by example through strong governance			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP30 - basing our strategic decisions for investment and the use of resources on robust information and review of risk	<ul style="list-style-type: none"> Risk Appetite and Strategic Risks set by the Board of Management Board of Management Strategic Discussions & Decisions 	<ul style="list-style-type: none"> Fully developed strategic risk register Successful implementation of Board of Management decisions 	March 18 July 18
OP31 - enabling a high performing, truly transformational learning community through sound governance, leadership and strategic planning	<ul style="list-style-type: none"> Board meetings/strategic discussions 	<ul style="list-style-type: none"> Increased Board of Management awareness of wider college sector operating environment 	July 18

Strategic Theme 5 - Enhancing our position as the business and community partner of choice

SMT - Andrew Lawson

Strategic Objective - We will maximise commercial opportunities			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP32 - operating a successful international model and being recognised in the international arena	<ul style="list-style-type: none"> Achieve income targets for international activity Enhance existing and develop new strategic relationships with other colleges/universities/local authorities and international organisations Continue to deliver staff/student mobility projects 	<ul style="list-style-type: none"> An International Operational Plan in place with clear income targets met 	July 18
OP33 - delivering our commercialisation strategy	<ul style="list-style-type: none"> Achieve income targets for commercial activity Review and rationalise commercial activity areas, focussing resource on areas of growth Ensure all commercial activity meets established contribution targets 	<ul style="list-style-type: none"> Income targets met New growth areas identified (4) Contribution targets met 	March 18
OP34 - implementing a Marketing and Communications Plan which fully supports the commercialisation plan	<ul style="list-style-type: none"> Map and enhance employer engagement activity to ensure coordinated and targeted employer interaction Increase visibility of College commercial offering outwith the Forth Valley area 	<ul style="list-style-type: none"> Employer data base developed with full organisation access Marketing material on line and available to all 	July 18 June 18

Strategic Objective - We will collaborate with employers and our community to develop and deliver training and skills requirements			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP35 - fully engaging with employers to recognise the value and benefits of college delivery in terms of developing the skills of their workforce	<ul style="list-style-type: none"> Work with employers to ensure the skills and training offered meets their current needs and prepares students for future challenges Continue to promote the benefits of Foundation and other apprenticeship paths to employers 	<ul style="list-style-type: none"> Flexible Workforce Development Fund fully utilised Increased employer engagement levels 	June 18
			July 18
OP36 - developing and growing our Modern Apprenticeship activity	<ul style="list-style-type: none"> Engage with SDS on MA levels and funding Implement outcome of Business Development review to streamline processes, taking advantage of MIS developments to support activity such as e-portfolio 	<ul style="list-style-type: none"> SDS funding secured Review of Business Development fully implemented 	March 18 July 18

Strategic Objective - We will grow and influence strategic partnerships			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP37 - ensuring our place as a prominent partner in supporting a region wide skills development and economic strategy	<ul style="list-style-type: none"> Continue to engage at local, national and regional level with key skills development groups to represent the FE perspective 	<ul style="list-style-type: none"> College staff active on a number of key identified groups promoting the contribution of the sector as a whole and the College in particular 	June 18

Strategic Objective - We will grow and influence strategic partnerships (continued)			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP38 - being recognised as active leaders in business and the community; providing ideas, resource and influence	<ul style="list-style-type: none"> Promote engagement with key groups such as LEPs and regional skills groups 	<ul style="list-style-type: none"> As part of College talent management activity, key staff identified and encouraged to participate in relevant groups 	June 18
OP39 - continuing to build strategic partnerships to deliver opportunity in securing funding sources and developing commercial opportunities	<ul style="list-style-type: none"> Work with key fundraising bodies to secure funding, particularly in support of the new Falkirk Campus Identify and secure new strategic partnerships to secure non-SFC funding 	<ul style="list-style-type: none"> Achieve income targets for fundraising activity Monitor and report on non SFC income levels and sources to SMT and Finance Committee 	July 18 Quarterly

Strategic Theme 6 - Delivering a whole system approach. Simply effective, efficient and consistent SMT - David Allison

Strategic Objective - We will deliver a safe, robust and agile IT infrastructure			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP40 - identifying, planning and deploying new technology and system developments to be sector leading	<ul style="list-style-type: none"> Phase 1 roll out of MS Surface in conjunction with Stirling Workroom Pilot Phase 2 roll out of MS Surface system in line with established plan Phase 3 roll out of MS Surface system in line with established plan Finalise roll out of Office 2016 across the College 	<ul style="list-style-type: none"> MS Surfaces deployed to Stirling staff MS Surfaces deployed to staff in Phase 2 MS Surfaces deployed to staff in Phase 3 Office 2016 deployed on all devices 	September 17 October 17 July 18 October 17

Strategic Objective - We will deliver a safe, robust and agile IT infrastructure (contiuned)			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP41 - providing a long term investment plan to modernise IT equipment, resources, infrastructure and support in response to staff and student expectations	<ul style="list-style-type: none"> Continue to develop IT infrastructure plans to support new Falkirk Campus Development As part of Creative Learning and Technology Strategy develop 5-year IT Investment Plan 	<ul style="list-style-type: none"> Complete IT Infrastructure plans in conjunction with Aecom 5-year IT Investment Plan produced 	July 18
			May 18

Strategic Objective - We will enable and support students and staff to take full advantage of IT			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP42 - providing our students and staff with excellent support standards based on best practice in industry	<ul style="list-style-type: none"> Review and update guidance available to staff and students 	<ul style="list-style-type: none"> Service alerts developed and deployed 	July 18
OP43 - enabling and supporting staff and students to use their own IT devices within the College	<ul style="list-style-type: none"> Review and update guidance available to staff and students 	<ul style="list-style-type: none"> Updated guidance published 	November 17

Strategic Objective - We will make information work for us			
2017/18	Performance Measures 2017/18	What Success Looks Like	By When
OP44 - realising the benefit of strong marketing and communication for internal and external engagement	<ul style="list-style-type: none"> Launch phase 1 of the New Falkirk Campus Communication Plan Year three of the Communications and Marketing Strategy delivered Restructure of the Comms and Marketing team to enhance our service and support the delivery of the College's 2022 vision 	<ul style="list-style-type: none"> Phase 1 launched Year 3 milestones met Restructure implemented 	October 17
			July 18 December 17
OP45 - developing and modernising a "One College System" ensuring all processes are digital	<ul style="list-style-type: none"> Implementation of year one of the Creative Learning and Technology Strategy Launch Onefile system following successful pilot 	<ul style="list-style-type: none"> Key milestones of the strategy met Onefile successfully launched 	July 18 October 17
OP46 - using learner analytics enable us to more effectively utilise our data to support students	<ul style="list-style-type: none"> Scope and deliver phase 1 of the College analytics system to support student retention and improve outcomes 	<ul style="list-style-type: none"> Analytics project scoped, and phase 1 delivered 	July 18

**Forth
Valley
College**



Making Learning Work

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Information contained within this document was correct at time of publishing but may be subject to change.

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1. Purpose

To provide members with an overview of the complaints received by the Executive Office in academic year 2016/17.

2. Recommendation

That members note the content of the report.

3. Background

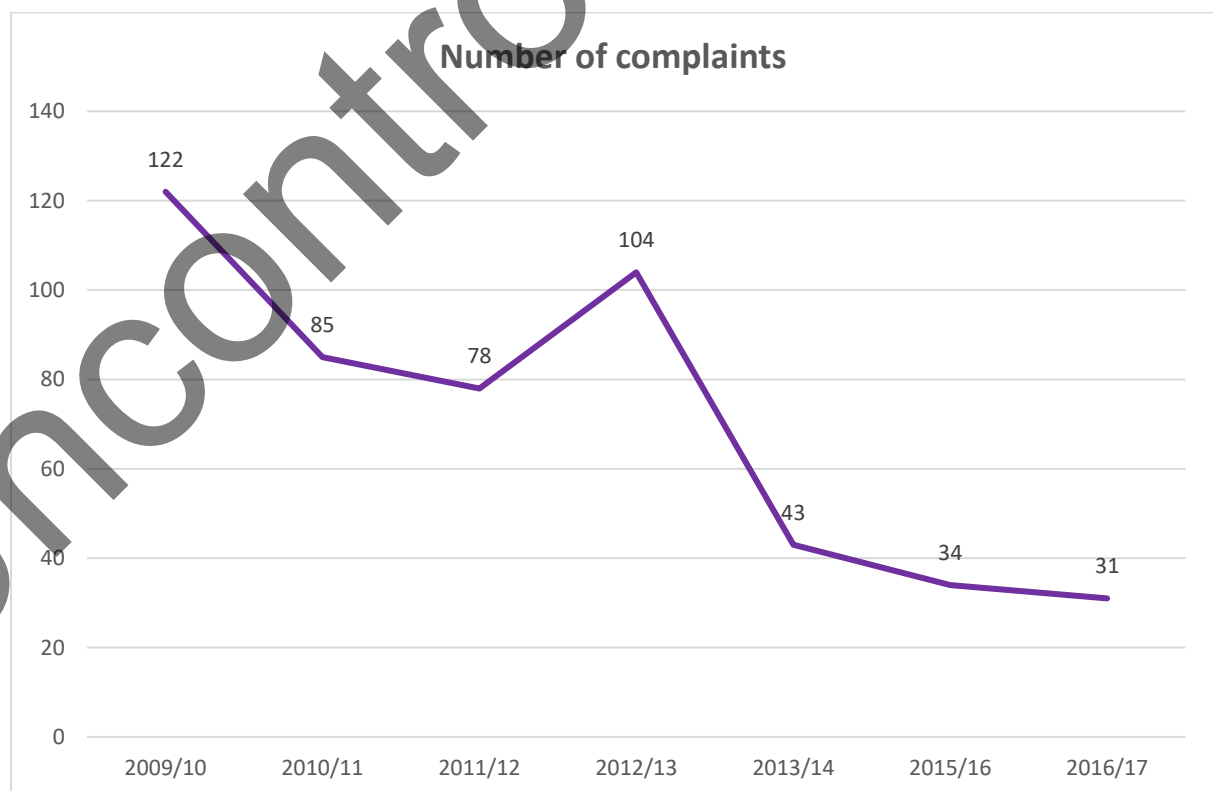
The College is required to manage complaints in line with the SPSO (Scottish Public Sector Ombudsman) model complaints handling process. Part of this is monitoring complaints received.

Complaint handling within the College is coordinated by the Corporate Governance and Planning Officer and managed by the Principal.

The College utilises complaints information to provide an annual update to SMT members.

4. 2016/17 Complaints

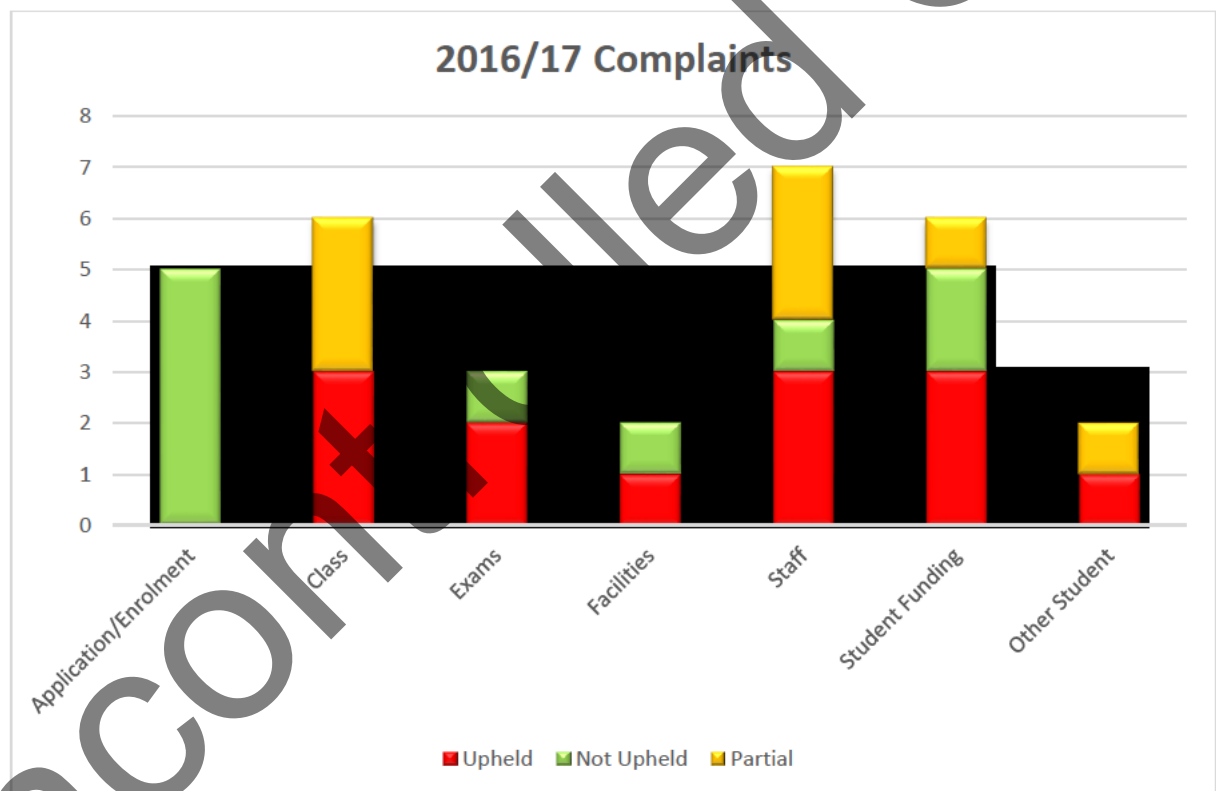
The College monitors complaints that are submitted to the Principal/SMT. The College has continued to experience a slight decrease in complaint numbers as outlined below.



The continued reduction in complaints would seem to indicate that improvements in systems combined with ensuring that any lessons learned from complaints are implemented continues to have a positive effect on complaints numbers.

However, with the reduction in the number of complaints, it remains a challenge to identify trends within the complaints. Despite the lack of identifiable trends, the Executive Office does feedback to Departments on the outcome of complaints and to embed any corrective actions which does help to prevent reoccurrences.

While the numbers of complaints continues to reduce, a further key piece of information is to consider whether, in the opinion of the College, the complaints have been upheld, not upheld or whether the complaint can be partially substantiated. A summary is as follows, broken down by the area of complaint.



The College views the number of upheld complaints as a positive. They demonstrate that –

- a) Students are highlighting real issues; and
- b) This gives the College the awareness and opportunity to address these issues

A summary of the 21 complaints upheld or partially upheld is outlined below as Appendix 1.

5. Financial Implications

Please detail the financial implications of this item – None

6. Equalities

Assessment in Place? – Yes No

If No, please explain why – Complaints which have an equalities component will be notified to the Equalities Team as and when they arise.

Please summarise any positive/negative impacts (noting mitigating actions) – Not applicable

7. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		X
Medium		
Low	X	
Very Low		

Please describe any risks associated with this paper and associated mitigating actions – While complaints are trending downward, losing focus on fast and effective complaints resolution would lead to poor student/stakeholder service and could result in the College being reported to the Scottish Parliament by the Ombudsman.

Risk Owner – Alison Stewart

Action Owner – Stephen Jarvie

8. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes No

Health and Safety – Yes No

Please provide a summary of these implications – Not Applicable

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart