

Steeple Suite, Falkirk Campus @4.30pm

AGENDA

		Type	Lead
1	Apologies and Declarations of Interest	Discussion	Ross Martin
2	Minutes and Matters Arising of Meeting of 23 June 2022	Approval	Ross Martin

Elements of paper 2 are withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy and Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.

3	Minutes of Committee Meetings		
	Remuneration Committee – 11 August 2022	Noting	Trudi Craggs
	Audit Committee – 8 September 2022	Noting	Lorna Dougall
	Draft Finance Committee – 13 September 2022	Noting	Liam McCabe

Elements of item 3 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.

4	Principal's Report	Discussion	Ken Thomson
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Elements of paper 4 are withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy and Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.

5	Chair's Update (Verbal)	Discussion	Ross Martin
6	Student Association Report	Discussion	Amber Little

STRATEGIC PLAN IMPLEMENTATION

7	Financial Forecast Return 2021/22 – 2026/27 – To Follow	Approval	Alison Stewart
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Paper 7 is withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.

8	Draft Commercial Strategy	Approval	Colin McMurray
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Paper 8 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.

GOVERNANCE

9	Board Secretary Arrangements	Approval	Alison Stewart
10	Board Self Evaluation 2021/22	Discussion	Alison Stewart

11	Applications to Forth Valley College Foundation	Approval	Alison Stewart
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Paper 11 is withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.

12	Corporate Social Responsibility Policy	Approval	Stephen Jarvie
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OPERATIONAL OVERSIGHT

13	Review of Risk	Discussion	All
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14	Any Other Competent Business	Discussion	All
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FOR INFORMATION

Board Calendar

Audit Scotland Report Colleges Scotland 2022

CDN Governance Programme

CDN Governance Update

Financial Regulations – This paper is withheld from publication on the Forth Valley College website under Section 25 Information Otherwise Accessible of the Freedom of Information (Scotland) Act 2002 –

<http://www.forthvalley.ac.uk>

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Zoom, 4.30pm

Present: Ross Martin (Chair) – Chaired from B/21/057
Professor Ken Thomson
Hazel Burt
Trudi Craggs (Vice Chair) – Chaired for B/21/056
Paul Devoy
Lorna Dougall
Lindsey Hastie
Jennifer Hogarth
Amber Little, Forth Valley Student Association President (FVSAP)
Emma Meredith
Alistair McKean

Apologies: Andrew Caldwell
Katherine Graham
Claire Green, Forth Valley Student Association Vice President (FVSAPV)
Liam McCabe
Ken Richardson
Naila Wood

In Attendance: Alison Stewart, Vice Principal Finance & Corporate Affairs (VPFACA)
David Allison, Vice Principal, Infrastructure and Communications (VPIC)
Kenny MacInnes, Vice Principal Learning and Student Experience (VPLSE)
Stephen Jarvie, Corporate Governance and Planning Officer and Deputy Board Secretary (CGPO)
Ian Beach, Education Scotland, for item B/21/056 only
John Laird, Education Scotland, for item B/21/056 only

B/21/056 Education Scotland

Ian Beach and John Laird from Education Scotland attended the meeting to present on the recent College Progress visit report from earlier in 2022. Ian Beach, as the Lead Inspector, covered the highlights of the report for members.

He noted that the outcome of the visit was a rating of satisfactory and commented that, while satisfactory and unsatisfactory were the only two available ratings, members should note that there were no caveats related to the satisfactory rating in the report.

He commented on a number of areas such as the use of prediction analysis to identify students who would benefit from support earlier than would normally be the case as well as the positive relationship that existed between the College and the Forth Valley Student Association (FVSA).

He noted that both teaching and corporate services staff were active in supporting students but that this activity was not always recorded and could limit the understanding of the College as to the issues being experienced.

The Principal confirmed to members that both Ian and John had reported back to the SMT when the fieldwork was completed and that the College did not have any issues with the content of the report. The FVSAP also commented that the report was accurate and that plans were already in place to address some of the areas identified for improvement.

Members commented on the rating in the report and had a discussion on whether there was a possibility in the future for a graded or similar system. John Laird welcomed the feedback and perspective of the Board and agreed to feed this back to Education Scotland.

a) Members noted the content of the report

B/21/057 Apologies and Declarations of interest

As noted above

B/21/058 Minutes and Matters Arising of Meeting of 28 April 2022 and 3 May 2022

Members approved the minute of the meeting of 28 April 2022 and 3 May 2022.

B/21/059 Minutes of Committee Meetings

Draft Audit Committee – 19 May 2022

The Audit Chair reported on the recent meeting, highlighting that the Committee had approved the extension of the appointment of the Internal Auditors and also approved the External Audit plan for this year. She informed members that this was the last year of the current external auditor's appointment. The VPFAA informed members that since the meeting, Audit Scotland had confirmed that Mazars would be the new external auditors from next academic year.

The Committee Chair highlighted that a new risk in relation to maladministration and malpractice was added to the strategic risk register and informed members that more detail would be provided under the Draft Learning & Student Experience minute that follows as that Committee had had a presentation and significant discussion on this matter.

Members noted in the minute that the timescales for a number of internal audit recommendations had been extended and queried whether the Committee were comfortable with the extensions and the reasons for these.

a) Members noted the content of the minute

Draft Learning & Student Experience Committee – 9 June 2022

Lorna Dougall, who chaired this meeting, provided members with an update. She discussed the risk related to a general rise in maladministration/malpractice which had been identified by the College and reposted by the College to the SQA. She confirmed that the Committee had been informed that SQA had no concerns relating to this. She acknowledged that maladministration/malpractice were serious terms however there was no gradation in the level of incidents. Once the Committee had been briefed on the incidents which were all low level relating to human error rather than systems error which could arise from remote working and other reasons, the Committee were provided with an overview of corrective actions such as mandatory training and additional quality checking steps which assured the Committee this matter was being addressed.

The Committee also welcomed the commitment to an annual report on this topic from the College.

The Committee also discussed the College restructuring and the potential impact on the student experience. The Committee did not identify any impacts and noted that the restructuring was introducing additional synergies in the provision for students.

The VPLSE provided members with an overview of the measures taken by the College in relation maladministration/malpractice. Systems have been reviewed and processes tightened up with the introduction of programme review boards to do an additional check before information is submitted to SQA. He also informed members that both SQA has been invited in to review systems and they did not find any additional measures to take. He further noted that, for additional assurance, the College internal auditors would also be conducting a review.

Members agreed that the terminology was serious and were reassured to hear the additional steps being put in place. Members queried whether the College felt it was human error or other issues.

The VPLSE informed members that there did not appear to be systemic issues and reported that SQA were seeing a rise of human error related matters.

The Principal noted that there could be a perception, given the low level of the cases, that the additional measures were not proportionate however it was important to reinforce the need for quality assurance.

a) Members noted the content of the minute

Draft Finance Committee – 14 June 2022

As the Chair was not in attendance, the VPFA provided an overview of the business discussed at the Committee. She informed members that the main item considered which was the budget which was endorsed for Board approval and is on the agenda for discussion as well as approval of the Tuition Fees and Fee Waiver policy for next year and the updated Procurement Strategy and Policy which were appended to the Board papers for information.

The Board Chair informed members that there were discussions ongoing at a sectoral level for shared, national activity which would be looking at procurement and IT.

The VPFA noted that the College's already use Advance Procurements for Universities and Colleges (APUC) who provide services to HE and FE with specialist procurement support. The Chair noted it would be useful to have a presentation on APUC at some point.

She noted that she had also been having discussions with the Principal on areas of further joint activity to look at. The largest issue with shared services is the cost and time taken to introduce it and whether this generates the anticipated payback.

a) Members noted the content of the minute

B/21/060

Principal's Report

(Elements of this section are withheld from publication under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)

The Principal presented his report. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

He also informed members that NHS Forth Valley Board and the University of Stirling Court had both approved the launch of the University College Health Partnership in September as approved by the Board at the last meeting.

He reported on the positive feedback received from the two Scottish Ministers who had visited the campus this week.

He informed members that the draft operational plan for 22-23 was appended to his report. He confirmed that the progress of these would be reported to the appropriate Committees.

He reported that the Falkirk campus had been announced as one of the 29 winners of the Royal Institute of British Architects for best building in the UK and would now go forward for the Stirling award for best building in the UK.

a) Members noted the content of the report

B/21/061 Chair's Report (Verbal)

The Chair updated members on his activity since the last meeting.

He commented on the ongoing review of College's Scotland. He reported that the key elements are being put in place in terms of governance but that further work would be done.

He reported on the ongoing work of the economic recovery group and their recent engagement with SFC, Scottish Enterprise and elements of Scottish Government.

He noted that the local councils had tendered for an economic baseline study of Forth Valley and this will allow for discussion on where the College fits into the regional economy and relevant strengths, weaknesses, opportunities and threats.

[REDACTED]

a) Members noted the content of the update

B/21/062 Student Association Report and Annual Report

The FVSAP provided members with an update on the activities of the Association.

They reported on the Sabbatical Officer elections and confirmed that they and Claire Green had both been re-elected to their respective posts for the coming academic year.

They outlined the recent student awards ceremony, noting that this was the first in person ceremony that they had been able to hold and commented on a very positive event.

They also informed members that the new FVSA strategic plan was attached to their report for information and confirmed that this had been developed to reflect both student feedback and the College's strategic plan.

- a) Members noted the content of the report and expressed their congratulations to the FVSAP and FVSAVP on their re-elections

STRATEGIC PLAN IMPLEMENTATION

B/21/063 Budget 2022-23

The VPFACA presented the 2022-23 budget for consideration and approval, noting that this had been endorsed by the Finance Committee to the Board.

She highlighted that, while the overall budget appeared to be in deficit, once the core operating costs and one off costs were split, the underlying core position of the College is a small operating surplus.

She noted the recent successful consultation exercise had been key in reaching this position.

She outlined several assumptions contained within the paper to members and expanded on some of the risks, particularly those out with the direct control of the College such as pay increases and the impact of flat cash from SFC in coming years.

She discussed the projected surplus for the current financial year arising from commercial activity and, while this would normally be donated to the ALF, the College would be seeking approval from SFC to carry this surplus into the 22-23 financial year and that it may be needed to fund a further efficiency drive.

Members queried the impact of inflation given the College has had a flat cash commitment and the long term impact of this.

The VPFACA confirmed inflation was impacting on budgets, giving the example of an increase in our facilities management costs for next year of 10%. She also provided further information in relation to pay awards and anticipated demands from unions for next year, given the awards being made in other areas of the public sector above existing public sector pay policy.

She confirmed to members that a five year FFR would be prepared and brought to the Board in September once the assumptions from SFC were available to input into this. She noted that the Finance Committee had also noted the impact from 23-24 onwards.

Members queried what would happen when there are no further areas to cut.

The VPFACA noted that the College was nearly as streamline as possible and unless there was a cut to delivery, it would be difficult to continue on the levels of funding provided. She outlined to members what the College was doing in terms of commercial activity to offset the impact of core funding real term cuts.

The Principal agreed that future funding levels were an issue and how the recent visit by Scottish Government Ministers was important to allow an understanding of exactly what it is the College offers. He also outlined several strategic opportunities that the College was pursuing.

Members requested that the Director of Commercialisation and Skills present to the next meeting of the Board.

The Chair also confirmed sector interactions with Scottish Government on areas including financial flexibility for Colleges, looking at the regulations that impact on Colleges and the fact that College's work across a number of directorates within Scottish Government and should be able to access funding from these directorates.

The Principal also noted that there were discussions on a different funding model for College's and we would be contributing to this.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

a) Members approved the budget 2022-23

B/21/064 Consultation Update – Verbal

The VPLSE provided members with an overview of the recently concluded consultation. He confirmed that, as a result of the consultation exercise with unions and staff, the College had reached a position where there were no compulsory redundancies to be made.

He also confirmed that all staff who had been job matched to new roles had accepted these.

He commented on positive feedback from College unions on the level of detail within the consultation documentation.

The Chair noted he had also received positive commentary from union members regarding the VPLSE and his work on this consultation.

a) Members noted the content of the update and welcomed the position reached via the consultation.

GOVERNANCE

B/21/065 Board Calendar 2022-23

The VPFAA presented the Board calendar for the coming academic year. She noted the only significant change was the proposed time of year for the Board strategic discussions. She informed members that, due to some memberships coming to an end in early 2023, it was thought best to this so that new members could have a chance to contribute.

She highlighted to members reaching the end of their tenure that they were able to reapply for their position if they wanted to.

a) Members approved the Board Calendar 2022-23

OPERATIONAL OVERSIGHT

B/21/066 Review of Risk

Risks were identified in their covering papers.

B/21/067 AOCB

Board Member Self-Evaluation

The VPFAA confirmed to members that the College would be looking to commence the annual self evaluation reviews and interviews between members, herself and the Chair.

She confirmed materials and a poll for meeting dates would be issued to members soon.

Chair's Retiral

The Chair informed members of his intention to stand down from the position as a result of increased time commitments in his main role. He informed members that, as his was a position appointed by Scottish Ministers, the timescales for this were not known at this time.

The VPFAA confirmed that she would write to Scottish Government and provide an update to members at the next meeting on timescales.

Members expressed their thanks for the work of the Chair in supporting both themselves and the College.

The Chair thanked members for their kind comments and encouraged all members to consider applying for the post of Chair when it was advertised.

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Zoom (commencing at 9am)

Present: Trudi Craggs (Chair)
Lorna Dougall
Ross Martin

Apologies: Liam McCabe

In Attendance: Dr Ken Thomson, Principal
Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)
Stephen Jarvie, Corporate Governance and Planning Officer (CGPO) - Minute

R/22/001 Declarations of Interest

None.

R/22/002 Apologies

As noted above

R/22/003 Minutes of meeting of 24 June 2021

The minutes of the meeting were approved.

R/22/004 Review of Remuneration Committee Remit

Members discussed the remit and noted that it continued to reflect the nature of the Committee's activity.

a) Members approved the remit of the Remuneration Committee

R/22/005 Principal & Senior Staff's Remuneration

The Principal introduced the paper, noting to members that there were no structural changes barring the decision of one of the Directors of Curriculum to take voluntary severance as part of the recent consultation exercise.

He noted the agreed uplift accepted by EIS-FELA and Unison and that it was proposed that this would also be applied to senior remuneration alongside agreed contractual increments.

He confirmed that all staff outlined in the paper had been exemplary over the previous year.

Members queried the information in relation to the Director of Commercialisation and Skills. The VPFACA confirmed that this was an error in the paper and provided the correct information to members.

The Principal exited the meeting at this point.

Members discussed the Principal's proposed remuneration as noted in the paper.

Members noted that it had been a period of significant challenge and that, despite this, the College was only seeking to provide the minimum uplift as had been agreed for other staff.

Members noted the current context of increasing pressures on the cost of living and that this would add additional challenge for next year's pay negotiation.

The Chair of the Board and the VPFACA provided some additional information arising from recent discussions with the Scottish Funding Council which indicated Colleges could expect to see in year cuts to funding levels.

a) Members approved the paper subject to the correction outlined above

R/22/006

Review of Risk

No new risks were identified

R/22/007

Any other competent business

None

Zoom (commencing at 4.30pm)

Present: Lorna Dougall (Chair)
Hazel Burt
Paul Devoy
Alistair McKean
Emma Meredith

In Attendance: Professor Ken Thomson, Principal
Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)
David Archibald, Henderson Loggie

A/22/001 Declarations of Interest

None

A/22/002 Apologies for Absence

Stephen Reid
Olga Potapova

A/22/003 Minutes of meeting of 19 May 2022

The minutes of the meeting of 19 May 2022 were approved.

A/22/004 Matters Arising

a) A/21/040 Risk Management

The Chair reported that the procurement exercise for Leadership Skills training has been concluded.

b) A/21/041 Risk Appetite Workshop Outputs

The Chair reported that the College had reviewed the paper format and this would be in use from October 2022. The CGPO also noted that risk appetite had been added to the Strategic Risk register as well.

A/22/005 Review of Committee Remit

The VPFACA presented the remit of the Committee, noting it was good practice for members to review the remit on an annual basis.

Members discussed the remit and did not raise any changes to be made.

a) Members approved the remit as appended to the paper

A/22/006 Governance Statement

The VPFAA presented the draft governance statement for members' consideration. She noted that this forms part of the accounts for the College and that it was good practice for the Committee to consider the content ahead of the review of the accounts at the November joint meeting with the Finance Committee.

She highlighted that the document summarised the governance arrangements in the College and noted that the content complies with Scottish Funding Council and Audit Scotland requirements.

Members discussed the content of the statement.

a) Members approved the Governance Statement for inclusion in the accounts

A/22/007 Audit Committee Self-Assessment

The Chair presented the annual self-assessment document to members. She reported that she had reviewed the content against the new code of conduct and felt that the contents complied with requirements and that, where the College did deviate, this was explained in the document.

Members noted that the mandatory audit member training should be included in the document on page 4 alongside the more general Board induction.

Members agreed that the assessment was comprehensive.

a) Members approved the Audit Committee Self-Assessment

A/22/008 Response to Ernst & Young letter to those charged with Governance

The Chair presented the response to the annual letter from the College's External Auditors.

She highlighted that the response outlines the information the Committee rely on to discharge their responsibilities and asked members if they were content that the information was adequate. She also noted that there were no breaches of governance that she was aware of for inclusion in the letter.

Members noted that the response appeared to be comprehensive and queried what the External Auditors do with the information once it is submitted.

The VPFAA confirmed that the information was used as an assurance process for the External Auditors as part of their overall work on the accounts.

a) Members approved the content of the response

A/22/009 **Presentation of Internal Audit Reports**

Business Continuity

David Archibald, Henderson Loggie, presented the report on business continuity arrangements within the College.

He noted that the review was a good one and highlighted a number of the positives such as the detailed flowcharts in place to guide responses to a range of scenarios.

He also outlined to members that the review also looked at the College's response to Covid and confirmed that the information provided had been assessed against recognised good practice.

He highlighted a range of positives including internal working, clear and consistent communications to all stakeholders and the College's participation in a range of external groups to coordinate data and guidance to allow the College to respond to a, at times, rapidly changing situation.

He outlined the work done to ensure a safe return to campus and reported that the arrangements in place had been impressive.

Members welcomed the very positive report, noting that College's response to the pandemic had been excellent.

The VPFACA highlighted that the CGPO had been the main point of contact with a range of external agencies such as NHS Forth Valley and members thanked him for this.

Members noted that they would like to see the flowcharts mentioned at a future meeting of the Committee.

a) Members noted the content of the report

Follow Up Report

David Archibald presented the annual follow up report. He informed members that all recommendations since the last report had been reviewed and that recommendations the College had previously indicated had been completed had been verified by the College providing appropriate evidence.

He provided an overview of the remaining recommendations which were either still in date or were currently partially completed.

The Chair noted that one of the recommendations on Data Protection Compliance should have come to this meeting but would be brought to the November meeting instead.

Members noted and welcomed the training being done on IT security.

a) Members noted the content of the report

A/22/010 Internal Audit Annual Report

David Archibald presented the annual report which provided members with a summary of the work completed in the previous academic year.

He noted changes to the plan that had been agreed during the year and highlighted the maladministration review which had been hoped to be completed over the summer but would now fall into this year's review schedule.

Overall he noted that the opinion of the internal auditors was that there were solid governance arrangements in place and confirmed to members the independence of his firm and the audit approach used.

a) Members noted the content of the report

A/22/011 Progress Report on Audit Recommendations

The CPGO presented the standing update on progress against audit recommendations. He noted that a number had been completed and that there were a number of extensions being requested as well.

He informed members that the number of extensions had been raised with the College Leadership Management Team (LMT) and the underlying reason for these appeared to be that the initially agreed timescales were too ambitious. He confirmed it was highlighted to LMT members to ensure proposed timeframes for closing audit recommendations are realistic and achievable.

a) Members noted the content of the report

A/22/012 Risk Management

The VPFACA presented the Strategic Risk Register for member's consideration.

She outlined changes that had occurred to risks since the last meeting of the Committee.

Members queried whether the increased financial stability risk and increased energy costs had been factored in, noting that in England Colleges had written to the

Government expressing concerns over the significant impact of energy cost rises on budgets.

The VPFACA confirmed that energy costs were a concern and increases had been included in the five year Financial Forecast Return (FFR) which would be discussed at the upcoming Board meeting.

She confirmed that, if no further Scottish Government funding support is made available, the College intended to apply to the ALF for exceptional additional funding.

She also noted that these concerns had been raised directly with the SFC's finance director.

Members welcomed the update and queried whether the risk score should be updated at this time.

Following discussion between members and senior management, it was agreed that the financial risk would be updated once the Board had discussed the FFR document to reflect the views of the full Board.

Members queried the colour coding of the new risk appetite section of the register and the CGPO explained that the register measured mitigated risk score against risk appetite. Where the mitigated score was over the appetite it was highlighted in red, where the score matched the risk appetite it was amber, and where the score was under the risk appetite it was green.

a) Members noted the content of the report

A/22/013 Review of Risk

Members highlighted the financial risks as discussed and the agreement to update the risk register once the Board had considered the FFR.

A/22/014 Any Other Competent Business

None

Zoom (commencing at 4.30pm)

Present: Liam McCabe
Trudi Craggs
Ken Richardson

Apologies: Andrew Caldwell
Lindsey Hastie
Amber Little

In Attendance: Professor Ken Thomson, Principal
Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)
Kenny MacInnes, Vice Principal Learning and Student Experience (VPLSE)
Senga McKerr, Director of Finance (DOF)
Moirra France, Finance Manager (FM)
Claire Green, Forth Valley Student Association Vice President (FVSAVP) for item F/22/006 only
Pauline Jackson, Development & Fundraising Manager (DFM) for item F/22/09 only
Stephen Jarvie, Corporate Governance and Planning Officer (CGPO)

Members discussed the arrangements for the meeting, expressing a preference to move back to face to face meetings for future Committee meetings.

The VPFACA confirmed that the November 2022 meeting was already intended to be face to face and that the remaining meetings would also be amended to in person.

F/22/001 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/22/002 Minute of Meeting of 14 June 2022

Members approved the minute of the meeting of 14 June 2022.

F/22/003 Matters Arising

The VPFACA updated members on discussions with Scottish Funding Council (SFC) around the projected surplus reported at Q3. She confirmed that SFC had not approved the carry forward and, as agreed by the Board, this would now be donated to Forth Valley College Foundation.

F/22/004 Review of Committee Remit

The VPFACA presented the committee remit for review by members, noting it was good practice to do this annually.

[REDACTED]

[REDACTED]

a) Members deferred the approval of the FFR to the full Board of Management

F/22/006

Student Association Outturn for 2021/22 & Budget for 2022/23

The FVSAVP provided an overview of the FVSA budget activity for 2021/22 and anticipated spend for 2022/23.

She noted that measures had been taken to address the surplus but, as most of the year had been held virtually and a staff member had resigned with the position yet to be filled, there remained a surplus.

She highlighted the planned spend activity for the year ahead.

Members queried whether the vacant post would be filled this year and how the salaries for FVSA staff posts were determined.

The FVSAVP confirmed that recruitment was going to go ahead. The VPFACA noted that the remuneration and overall governance of staffing was being looked at as, given the FVSA is autonomous, this had in the past been left to their discretion. A review of the sector showed most SA staff were employed by the relevant College and something similar would be put in place for the College.

Members queried whether, given the pressures on all aspects of College budgets, would this impact on the budget for FVSA.

The DOF noted that the majority of funding at this time came from the ALF which funded salaries which was the major expenditure.

Members noted the ALF has a limited amount of funding and this should be looked at in the future, along with measures to help FVSA become more resilient.

The FVSAVP noted that they had launched an e-shop and were looking to sell branded merchandise. Members highlighted the upcoming graduations may be an excellent selling point.

a) Members noted the Outturn for 2021/22 and approved the 2022/23 budget

F/22/007 Financial Regulations

The DOF presented the updated financial regulations for member's consideration and approval.

She outlined the main changes to the regulations which included changes to the approval limits for senior level staff as outlined in Appendix B of the paper. Members agreed that senior level staff should be able to have the relevant authorities to support their role.

Members noted that the language in section 14.4 should be reviewed.

a) Members approved the financial regulations subject to the change outlined above

F/22/008 Management Accounts 2021/21 Forecast Outturn

The FM presented the latest draft management accounts. She informed members that all anticipated major movements had been incorporated so any additional changes should be smaller.

She noted, as discussed earlier, that there would be a donation to Forh Valley College Foundation up to the level approved by the Board of Management.

She highlighted that the included balance sheet was still in draft at this time and that there would be a range of changes and also outlined the current cash position of the College.

a) Members noted the content of the report

F/22/009 Progress Review: Development and Fundraising

The DFM presented a report outlining the successful activity in development and fundraising over the last year and anticipated activity in the current academic year.

She discussed how, while smaller pots of funding were still being applied for, the College was focussing on large strategic funding areas such as the city deals across forth valley, including a £4m bid under the Falkirk growth deal.

She informed members that both she and the Principal were representatives on a range of growth deal groups.

She confirmed to members that there was a new development and fundraising strategy under review at this time as the current one ends this year. She noted this would be brought to the Committee for approval.

Members welcomed the report and noted that working on the growth deals can be labour intensive and queried whether there was enough resource in place. The DFM

confirmed this was the case and also that a specialist consultant was being brought on to ensure submissions meet the relevant criteria.

Members noted that, if the Board could be of assistance, the DFM should contact them.

a) Members noted the content of the paper

F/22/010 Review of Risk

The financial risks highlighted in the minute were noted.

F/22/011 Any Other Competent Business

None

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1. Purpose

To present to the Board of Management the thirty seventh Principal's report on key and strategic activity undertaken since the Board meeting in June 2022.

2. Recommendation

The Board should note and comment on the activity undertaken by the Principal since the June 2022 Board meeting.

3. Key Highlights

3.1 The output from the Financial Forecast Return (FFR) paper makes for difficult reading with two scenarios and others in the planning and to be discussed later in the meeting. I want the Board to be aware that collaboration and partnership discussions continue with a number of exciting opportunities being launched in the near future. The University College Health Partnership (name to be confirmed) is being launched on the 3rd October 2022 and [REDACTED]

[REDACTED]

[REDACTED] This on top of the Regional Economic Partnership being discussed at the CEO level of our three local authorities.

In addition we are well advanced with the Transition Skills Hub for the Falkirk Growth Deal, a bid for £4m which was approved at Heads of Terms level and is now in the Outline Business Case development. We have commissioned MKA Economics to support the programme as it requires to be Green Book for UK Government. All going well we should see the project begin at the start of 2023/34. Furthermore the Board are going to be asked to approve our new Apprenticeship, Skills and Commercial Strategy, our first strategy for commercialisation, which will focus attention for future income opportunities.

3.2 Ross Martin and I attended a meeting hosted by Colleges Scotland on Monday 12th September with Mike Cantley, Chair of the SFC and Nora Senior, Chair of the Enterprise and Skills Board and a member of the UK College of the Future Commission. The event was titled "Think the Unthinkable". Mike Cantley did not have a positive message for the sector on funding other than a continuation of the flat cash message. Recent announcements from DFM on the £20m cut to SFC will be absorbed by underspend and won't affect Colleges. [REDACTED]

[REDACTED]

[REDACTED] The National Strategy for Economic Transformation (NSET) published by Scottish Government in March was referenced on a number of occasions. He welcomed the opportunity to talk with the sector and we will follow up at the appropriate time. Our Strategic Plan 2022 to 2026 covers NSET and we have an excellent record of collaboration with genuine opportunities for future funding streams.

Mike Cantley also mentioned the commentary by the DFM about the use of capital for revenue which would require a change on the ONS standing for Colleges. This would open further opportunity for Forth Valley College.

It's interesting to note Education Scotland have initiated their programme of reviews. They are focussing on a light touch for Colleges with a strong record of positive PI's and quality enhancement alongside a more in depth review for identified Colleges with poor indicators. We have been notified that we are a light touch College and Kenny MacInnes will report to the Learning and Student Experience Committee. As it is SFC that commission Education Scotland to undertake the reviews, it will be interesting to see how they use the outputs.

For information, the education environment in Scotland gets ever more complicated with the OECD report leading to the Muir Review and Hayward Review on Assessment and Qualifications. The Muir review resulted in the need for a replacement body for SQA and a revamp of Education Scotland. There is also to be a National Conversation on Education, a new Tertiary Quality Framework, action delivery from the SFC Review on Sustainability and Coherence and only last week, a review was announced on SDS. Interesting times.

3.3

[REDACTED]

3.4

On a positive note, Ken Rutherford, Gordon Berry (FM Manager) and myself have been invited as guests of Reiach and Hall Architects to the Award Ceremony for the Stirling Prize in London. As you will be aware six buildings have been shortlisted and the judges were in the Falkirk Campus on Tuesday, 13th September. The College is also up for the RIAS Andrew Doolan for Best Building in Scotland Award in a short list of five. Again the judges recently visited for that award and I have been involved in filming for both. Further detail on the RIAS award date will be announced soon.

3.5

Finally, delighted to say I have been appointed non-executive Board Member for the College Development Network (CDN) following an application and interview process

4 Networking and Presentations

4.1

We were delighted to host a visit with Mr Jamie Hepburn, Minister for Higher Education and Further Education, Youth Employment and Training and Mr Ivan McKee, Minister for Business, Trade, Tourism and Enterprise in the summer. The meeting was arranged by Stephen Pathirana, Director of Advanced Learning and Science and attended by Ross Martin. We were able to showcase our work with industry, the regional economic position and our commercial enterprises.

- 4.2 I chaired a session on Professional Learning for the CDN Expo 2022 followed a day later with a joint presentation on Regional Economic partnerships and the role of the College with Ross Martin. In addition I was lead on CDN's Student Board Member Induction programme and have made a number of presentations to key groups on the work of the Hayward Review.

5. Key Meetings

- 5.1 I continue to have positive and fruitful monthly meetings with the Student Association. Ross Martin and I continue to meet weekly with a broad agenda which continues to include areas including sustainable future funding, regional economic opportunities, the Falkirk Investment Growth Deal as well as the usual standing agenda items on Colleges Scotland, National Employers Association (now known as College Employers Scotland) and responding to Scottish Government and the SFC.

- 5.2 [REDACTED]

- 5.3 I also met with Michael Matheson and had a very fruitful discussion on Scottish Government priorities for Net Zero, future energy and the required skills and infrastructure. He was pleased to see the work we were already undertaking in this area.

- 5.4 Other key meetings involving site tours of the Falkirk Campus included Paul Little, Principal City of Glasgow College; Andrew Youngson SFC; Linda McKay, previous Principal and David Allan, a previous Depute Principal.

6. Colleges Scotland (CS)

- 6.1 There were no meetings with Colleges Scotland over the summer other than the "Think the Unthinkable" workshop already reported in this paper.

7. Community Planning Partnership

- 7.1 There has been two meetings of the Falkirk Community Partnership and one from the Stirling CPP. Kenny MacInnes, VP for Learning and Student Experience continues to lead on the Stirling CPP in Stirling given his responsibility for the Stirling Campus. We play a lead role in community planning and continue to lead on key projects relating to the college's purpose.

8. Financial Implications

None

9. 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.

10. 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

11. Other Implications –

Communications – Yes No

Health and Safety – Yes No

Paper Author – Ken Thomson

SMT Owner – Ken Thomson

1. Purpose

To provide members with an update on the recent activities of the Forth Valley Student Association (FVSA)

2. Recommendation

That members note the content of the report.

3. Key Considerations

Since the last Board of Management on the 23rd of June 2022 FVSA have conducted several activities.

Student Association Co-Ordinator

FVSA said goodbye to the wonderful Angela Muirhead on the 27th of July, FVSA wishes her well in her future endeavours and hope that she ends up in a job that she loves just as much as working with us

Induction Tables

During induction (22nd August – 30th August) FVSA hosted some tables on all three campuses to let students know who we are, what we do and how they can get involved with us and as always, hand out some free stuff!

Meeting the Stirling University Sabbatical officers

The team met with Tash Miller, the new Union president at Stirling University where we had a few discussions around the work we are both doing and working out which campaigns we can work on collaboratively. This was a fantastic opportunity, and we are really looking forward to working with the SSU sabbaticals on upcoming campaigns.

Class Introductions

From the 5th of September – 16th of September, FVSA are going around several classes to talk to them about who we are, what we do, how they can get involved with us etc, so far, they have gone incredibly well using a hybrid approach doing majority of them in person but infilling the ones we couldn't be there in person via teams this is definitely something we'll be looking to do more of when block 2 comes around

Connect Forth

We have recently made a partnership with connect forth radio station and will be getting a daily spot on the show, we have worked on a few promotional materials for fresher's fayre and will be forming a close relationship to promote each other's services in the year ahead, Connect Forth are putting on entertainment for Fresher's as well as using FVSA as their live clients

1. Purpose

To seek approval from members to continue with the current arrangements for the Board Secretary and Deputy Board Secretary.

2. Recommendation

That members review the current arrangement for the Board Secretary and Deputy Board Secretary as outlined in this paper and approve to these to continue for 2022/23.

3. Background

The revised Code of Good Governance for Scotland's Colleges ("the Code") was adopted by the Board in December 2016.

Section D.13 of the Code states

*The board as a whole must appoint a board secretary who is responsible to it and reports directly to the chair in their board secretary capacity. 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 appointment and removal of the board secretary is a decision of the board as a whole.***

The code also requires colleges to publish a Statement of Compliance with Good Governance in the Annual Report.

Each board must state its adoption of the Code in the corporate governance statement contained in its annual financial statement. The chair, on behalf of the board, is expected to report as to how the principles have been applied by the board. Where, for whatever reason, a board's practice is not consistent with any particular principle of the Code, it should make this known to SFC or, if it is an assigned college, the regional strategic body. This should be done immediately they become aware of an inconsistency and, without exception, in advance of publishing the information. An explanation for that inconsistency must be clearly stated in its corporate governance statement. Boards will be expected to offer a clear rationale for exceptions in the context of their college's operational model and to identify mitigations.

It was approved by the Board in December 2016 that the Vice Principal Finance & Corporate Affairs would be formally appointed as the Board Secretary and the Corporate Governance and Planning Officer would be formally appointed as Deputy Board Secretary in line with the current arrangements. Both report directly to the Chair in terms of the Board Secretary role. This has subsequently been reviewed and ratified by the Board annually since then.

4. Key Considerations

The 2021 external board Effectiveness review highlighted that this did not comply with the Code, however recognised that this had been approved by the Board and that Board members felt the arrangements were working well.

It is common practice in a number of organisations both within the public and private sector for the board Secretary to hold a position within the Senior Management Team. At least two other Colleges do not comply with the code in relation to the Board Secretary role. It can be argued that by having a dual role that this actually strengthens governance and provides greater assurance to the Board rather than weakens it.

It is also not considered to be good value for money to employ a part time Board Secretary when the College already has members of staff with the required skills to perform this role and have been doing so for a number of years.

There is only one area within the Board Secretary role where holding a senior management team position as well as Board Secretary could impact on good governance. The Board Secretary is appointed by the Board and reports directly to the Chair, if they also report to the Principal in terms of their senior management team role this could lead to a potential conflict of interest in terms of reporting to the Board. The current arrangements mitigate this risk by having a Depute Board Secretary.

While current arrangements go against the requirement of the code, it is still acceptable for the Board to take this decision and explain the reason for non-compliance in the annual financial statements and to SFC, which the College has done for the previously. This has been reviewed by the external Auditors and in the Audit Reports they have stated they have no issues to report in relation to Governance. SFC have also noted the non-compliance, however have not requested that this be changed.

5. Equalities

There is no equalities impact as the approval is in relation to compliance with the Code.

6. Risk

	Likelihood	Impact
Very High		
High		x
Medium		
Low	x	
Very Low		

There is a risk the Board are not fully informed due to a conflict of interest of the Board Secretary reporting to both the Chair and the Principal. The appointment of two individuals reporting to the Chair minimises this risk.

Risk Owner – Board of Management

Action Owner – Chair of Board of Management

Paper Author – Alison Stewart on behalf of Ross Martin

1. Purpose

To update members on the outcome of the Board self-evaluation exercise completed over the summer of 2022.

2. Recommendation

That Members consider the outcome of the self-evaluation exercise and consider any development requirements.

3. Background

The Financial Memorandum with the SFC requires governing bodies to comply with the principles of good governance set out in the Code of Good Governance for Scotland's Colleges. Section D.23 states "... There should also be an externally facilitated evaluation of its effectiveness at least every three years. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online."

4. Self-Evaluation (Appendix 1)

All Board members are asked to complete a self-evaluation questionnaire at the end of each academic year in relation to the Board's performance which is based on the Code of good Governance. Following the return of the questionnaires individual meetings are held with members and the Chair of the Board and the Board Secretary.

The results of the evaluation are noted in Appendix 1. An average score has been calculated based on the number of returns received. Overall the results are very positive with only one area scoring below 4.5

- The Board and its Committees prioritises the opinions/views of students

There were a number of changes in scores and these are highlighted in appendix 1. Taken as a whole, there was a small increase overall in Board scoring.

Feedback from the discussions with members highlighted a number of themes

- preference for in person meetings rather than on line
 - more focus on strategy at Board meetings – each meeting focus on one strand of the strategy
 - more emphasis on community engagement / unitisation of estate
 - committee / board papers too long
 - Staff, Student & Stakeholder engagement - re-introduce Board engagement calendar
 - board development – consider rotating membership of committees
-

5. Financial Implications

There are no financial implications.

6. Equalities – N/a

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		x
Low		
Very Low	x	

Risk Owner – Alison Stewart

Action Owner – Alison Stewart

8. Other Implications –

Paper Author - Alison Stewart

SMT Owner – Alison Stewart

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Appendix 1

	Ave	Ave	Change
	2022	2020	
Vision and Strategy			
1. The Board has set out clear strategic priorities and aims	4.9	4.7	0.2
2. The Board regularly reviews performance against strategic aims	4.5	4.4	0.1
3. The aims of the College are aligned with regional / national strategy	4.7	4.5	0.2
4. The Board undertakes regular strategic reviews / scenario planning	4.6	4.8	-0.2
Corporate Social Responsibility			
5. The Board understands and demonstrates the College's values	5.0	4.9	0.1
6. The board has a Code of Conduct to which it is committed in place	5.0	5.0	0.0
7. The Board operates according to the Nine Principles of Public Life	5.0	4.9	0.1
Student Engagement			
1. Student Members are active at Board Level	4.6	5.0	-0.4
2. The Board receives regular reports from the Student Association	4.8	5.0	-0.2
3. The Board and its Committees prioritises the opinions / views of students	4.4	4.5	-0.1
Learning and Teaching/Student Support			
4. Learning & Teaching Performance is overseen effectively	4.6	4.6	0.0
5. The Board sets challenging student success targets	4.6	4.4	0.2
6. The Student experience is central to Board decision making	4.5	4.8	-0.3
Accountability			
Student Accountability and Delegation, Risk and Audit			
1. The Board recognises the chain of accountability	5.0	5.0	0.0
2. The Board is open in its decision-making and facilitates disclosure	5.0	5.0	0.0
3. The Board delegates responsibilities to appropriate committees	4.8	4.9	-0.1
4. The Board has in place an effective risk management strategy	4.9	4.8	0.1
5. The College's audit processes are comprehensive and rigorous	4.9	4.9	0.0
6. The Board publishes high quality Annual Reports	4.9	4.9	0.0
Remuneration, Sustainability, Staff Governance			
7. There is a formal process for setting the Principal's remuneration	4.7	4.5	0.2
8. Funds are planned and used economically, efficiently, and effectively	4.9	4.6	0.3
9. Board members are aware of their responsibilities as charity trustees	4.8	4.8	0.0
10. The Board prioritises the fair and effective management of staff	4.8	4.6	0.2
Effectiveness			
Post Holder Effectiveness			
1. The Board Chair promotes open discussion on strategic matters	5.0	4.9	0.1
2. The Board has an appropriate mix of skills and works well as a team	4.9	4.8	0.1

3. The Principal and Senior Management Team are clearly accountable to the Board	4.9	0.9	4.0
4. The Board is well supported and guided in matters of governance	4.9	4.9	0.0
Board members development and Evaluation			
5. Board recruitment is open and in line with Ministerial guidance	4.8	4.9	-0.1
6. There are sufficient opportunities for Board induction and development	4.6	4.5	0.1
7. Board effectiveness is regularly reviewed	4.8	4.5	0.3
Relationships and Collaboration			
Partnership Working			
1. The Board ensures effective communication with stakeholders	4.7	4.5	0.2
2. Learning provision is relevant to industry needs	4.9	4.6	0.3
3. The College engages well with stakeholders/industry players	4.9	4.7	0.2
4. The Board supports the delivery of the Outcome Agreement	4.6	4.9	-0.3

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Section	R/A/G	Comment/Evidence
Conduct in Public Life		
A.1 Every college and regional strategic body must be governed by an effective board that is collectively responsible for setting, demonstrating and upholding the values and ethos of the organisation.	G	External effectiveness review April 2021
A.2 Every board member must ensure that they are familiar with and their actions comply with the provisions of their board's Code of Conduct.	G	Board induction, Code of Good Governance available on web
A.3 The Nine Principles of Public Life in Scotland, which incorporate the seven Nolan principles, must be the basis for board decisions and behaviour. These key principles, which apply individually and collectively are: - Duty/Public Service - Selflessness - Integrity - Objectivity - Accountability and Stewardship - Openness - Honesty - Leadership - Respect	G	Yes
Vision and Strategy		
A.4 The board is responsible for determining their institution's vision, strategic direction, educational character, values and ethos. Regional strategic bodies must also determine the regional strategy for colleges assigned to them. The board of an assigned college must have regard to the strategy determined by the regional strategic body. Board members have a collective leadership role in fostering an environment that enables the body to fulfil its mission and meet Scottish Government priorities, for the benefit of students and the community it serves.	G	Board sessions for strategic plan development, Outcome Agreement reviewed at LSE and approved by Board
A.5 The board must develop and articulate a clear vision for the region or college. This should be a formally agreed statement of its aims and desired outcomes which should be used as the basis for its overall strategy and planning processes.	G	Strategic Plan
A.6 The board provides overall strategic leadership of the region or college. The board is responsible for formulating and agreeing strategy by identifying strategic priorities and providing direction within a structured planning framework.	G	Strategic Plan
A.7 The board must ensure that a comprehensive performance measurement system is in place which identifies key performance indicators. It must ensure that it scrutinises performance measures and reports these on their website in a manner that is both timely and accessible to stakeholders. This will allow the board to determine whether or not the vision and mission of the region or the college are being fulfilled and that the interests of stakeholders are being met.	G	PI's (eg Financial and Health and Safety) monitoring, Outcome Agreement Reporting, HR reports on staffing levels. A range of dashboards have been developed to monitor key College projects and are included in the papers published on the College website. PI Prediction tracker system developed and in place
A.8 The board (except in the case of assigned college boards) is responsible for overseeing the negotiation of its outcome agreement with SFC, to meet the needs of the college or region and make best use of available funding, consistent with national strategy. The board must ensure effective engagement with all relevant stakeholders in the development of its outcome agreement and monitor performance in achieving the agreed outcomes.	A	Outcome Agreement is presented to LSE in various drafts and final approval from Board. Amber as need to evidence stakeholder engagement more
A.9 The roles and responsibilities of the boards of assigned colleges should be undertaken in the context of the roles and responsibilities of their regional strategic body. Assigned college boards must contribute constructively to the development of the outcome agreement led in its region by the regional strategic body and support the regional strategic body to monitor performance in achieving the agreed outcomes.	G	Not Applicable to FVC
Corporate Social Responsibility		
A.10 The board must demonstrate high levels of corporate social responsibility by ensuring it behaves ethically and contributes to economic development while seeking to improve the quality of life of the local community, society at large and its workforce.	G	External effectiveness review identified Board appetite for the development of an ethics related document. A Corporate Social Responsibility Policy has been developed and will be considered for approval at the September 2022 meeting. Ethical considerations are also embedded into key College activities such as fundraising and procurement
A.11 The board must exercise its functions with a view to improving economic, cultural and social wellbeing in the locality of the college or region. It must have regard to social and economic needs and social inclusion.	G	Forms part of Strategic Plan and Outcome Agreement
A.12 The board must provide leadership in equality and diversity.	G	Equalities policy approved by Board
A.13 The board must seek to reflect in its membership, the make-up of the community through offering maximum opportunity of membership to a range of potential members and removing potential barriers to membership, in partnership with its regional strategic body, as appropriate.	G	All Board vacancies are advertised locally and nationally and actively seek applicants from diverse backgrounds
A.14 The board must appoint one of the non-executive members to be the senior independent member to provide a sounding board for the chair and to serve as an intermediary for the principal, other board members and the board secretary when necessary (see Annex 1 for the definition of 'non-executive'). The senior independent member should also be available where contact through the normal channels of chair, principal or secretary has failed to resolve an issue or for which such contact is inappropriate. Further information on the role of the senior independent member can be found in The Guide for Board Members in the College Sector.	G	Senior Independent Member in place
Section B: Quality of the Student Experience		
Student Engagement		
B.1 The board must have close regard to the voice of its students and the quality of the student experience should be central to all board decisions.	G	Student Association representation on Board. Board members also support SA outside Board meetings e.g. mentoring, sitting on SA advisory board
B.2 The board must lead by example in relation to openness, by ensuring that there is meaningful on-going engagement and dialogue with students, the students' association and as appropriate staff and trade unions in relation to the quality of the student experience. Consultation is essential where significant changes are being proposed.	G	Trade Unions consulted on relevant policy change. SA have standing agenda item at Board to raise issues important to students. Board Chair meets with Unions and SA without College staff present. Principal meets regularly with SA team
B.3 The board must consider the outcome of student surveys and other student engagements, and monitor action plans that could impact on the quality of the student experience.	G	The College is launching a dedicated student centred app "CampusM" for session 22/23. This will facilitate better response rates and more meaningful information return for student surveys. The survey results from early satisfaction survey, programme satisfaction survey, college destination survey, in conjunction with the outcomes from the bi-annual 'Listening to Learners' reports will be shared throughout the academic year with the Board. The curriculum review and quarterly PI prediction results and action outcomes, along with report updates from the Student Association and the Department of Inclusion and Student Services, are also shared with the Board. These reporting mechanisms allow the Board to monitor student experience across the College against the College's operational plan's actions and then feedback. This process allows the Board to gain an insight into the student experience at FVC.
B.4 The college board must have regard to the Framework for the Development of Strong and Effective College Students' Associations in Scotland. It must put in place robust partnership procedures (e.g. partnership agreement) to work together to achieve change and which are supported by regular and open communications.	G	Partnership agreement in place
B.5 The college board must encourage a strong and autonomous students' association and ensure that the students' association is adequately resourced.	G	Board are supportive of SA and their applications to ALF for sabbatical funding. Board approved annual contribution to the running costs of SA with budget monitored via Finance Committee
B.6 The college board must ensure that the students' association operates in a fair and democratic manner and fulfils its responsibilities.	G	Board approves SA constitution
B.7 The college board must review the written constitution of its students' association at least every five years.	G	Board papers can evidence the latest review
Relevant and High Quality Learning		

B.8 The board must seek to secure coherent provision for students, having regard to other provision in the region or college's locality. The board must be aware of external local, national and international bodies and their impact on the quality of the student experience, including community planning partners, employers, skills development and enterprise agencies and employer bodies. The board must seek to foster good relationships and ensure that the body works in partnership with external bodies to enhance the student experience, including employability and the relevance of learning to industry needs.	G	Outcome Agreement process
Quality Monitoring and Oversight		
B.9 The board must ensure appropriate mechanisms are in place for the effective oversight of the quality and inclusivity of the learning experience in the college or region. The board must ensure that the college works in partnership with sector quality agencies and other appropriate bodies to support and promote quality enhancement and high quality services for students.	G	Education Scotland reviews, opportunities for Education Scotland lead for the College to present directly to the Board
Section C: Accountability		
Accountability and Delegation		
C.1 The board is primarily accountable to its main funder, either SFC or its regional strategic body. Through the chain of funding, the body is ultimately responsible to the Scottish Ministers who are accountable to the Scottish Parliament.	G	No action needed
C.2 The board must ensure delivery of its outcome agreement or in the case of an assigned college, its agreed contribution to the region's outcome agreement.	G	Reporting on progress against Outcome Agreement targets for FVC
C.3 The board must ensure it fulfils its statutory duties and other obligations on it, and that the terms and conditions of its grant are being met.	G	Role of Audit and Finance Committees
C.4 Scottish Ministers have powers to remove by order any or all board members of an incorporated college (except the principal) or a regional board for serious or repeated breaches of a term and condition of grant.	G	No action needed
C.5 The board also has a wider accountability to a range of stakeholders including students (both current and prospective), its staff, the wider public, employers and the community it serves, for the provision high quality education that improves people's life chances and social and economic well-being.	G	Education Scotland reviews
C.6 Incorporated colleges and regional boards must maintain and publicly disclose a current register of interests for all board members. Board members should declare any conflicts of interest in the business of the meeting prior to the commencement of each meeting of the board and its committees and withdraw from meetings as appropriate.	G	Available on College website
C.7 The board must ensure that its decision-making processes are transparent, properly informed, rigorous and timely, and that appropriate and effective systems of financial and operational control, quality, management of staff, risk assessment and management are established, monitored, continuously improved and appropriately impact assessed. This includes: a) the prompt production, dissemination and online publication of board/committee agendas, minutes and papers to the public b) every board meeting and every committee meeting having a well-structured agenda circulated timeously in advance c) the retention of all key documentation which help justify the decisions made by the board and its committees.	G	Board Agendas and Papers are on website
C.8 The board may delegate responsibilities to committees for the effective conduct of board business. As a minimum the committees required are Audit, Remuneration, Finance and Nominations/Appointments. Delegation of responsibilities from and matters reserved to the board and its committees must be set out in a scheme of delegation including the functions delegated by the board to the chair, committees, the principal and the board secretary (and any other members of staff). Incorporated college boards and regional boards have no powers to delegate functions to an individual board member (except the chair who has no authority to act outwith their delegated powers).	G	Scheme of Delegation and Committee Remits approved and in use and reviewed on a regular basis
C.9 The board must ensure every board committee has a specified member of the management team to provide objective, specialist advice to support it to discharge its remit, including by explaining in an accessible way the matters under discussion and the possible implications of different options.	G	SMT leads for each Committee can be evidenced via minutes
C.10 The board must consider and have in place procedures to ensure effective working relationships and constructive dialogue amongst the board as a whole and ensure there are effective reporting and two way communications between committees and the board. The board must ensure that discussions and decisions of every committee are accurately recorded and reported to the board, no later than the next meeting of the board.	G	Code of Conduct. Standing agenda item at all Board meetings for committee minutes to be presented and each Chair has time to raise any items of interest to the attention of the full Board
Risk Management		
C.11 The board of a college or a regional body is responsible for the overall management of risk and opportunity. It must set the risk appetite of the body and ensure there is an appropriate balance between risk and opportunity and that this is communicated via the principal to the body's management team.	G	There is a Risk Management Policy, Board had a Risk workshop session. Risk reports presented to the Audit Committee quarterly and also presented to some Board meetings. Board have established their risk appetite in line with HM Treasury guidance and this is reflected in the College risk register and will form part of the standard report template from October 2022 onwards
C.12 The board must ensure that sound risk management and internal control systems are in place and maintained. It must ensure there is a formal on-going process for identifying, reporting, evaluating and managing the body's significant risks and review the effectiveness of risk management, business continuity planning and internal control systems.	G	Risk Management Policy. Standing agenda item at all Committee and Board meetings. Internal Audit plan for the College is informed by Risk Register. Internal and external auditor reports to Board give assurance of internal controls
Audit Committee		
C.13 The Audit Committee must support the board and the principal by reviewing the comprehensiveness, reliability and integrity of assurances including the body's governance, risk management and internal control framework.	G	Audit Committee remit. Internal and External Auditor reports
C.14 The scope of the Audit Committee's work must be defined in its terms of reference and encompass all of the assurance needs of the board and the principal. The Audit Committee must have particular engagement with internal and external audit, and must work with management and auditors to resolve any issues in relation to financial reporting.	G	Internal and External Auditors invited to every Audit Committee meeting. Committee meets with Internal and External auditors annually without staff present
C.15 The Audit Committee must promptly pursue recommendations arising from audit reports and must monitor their implementation.	G	Audit Committee approves audit reports and actions for FVC. Progress report against recommendations is a standing agenda item. Annual follow up audit conducted by Internal Auditors to verify recommendations FVC consider complete have occurred. Report on follow up audit presented to Audit Committee
C.16 The membership of the Audit Committee cannot include the board chair or the principal. The role of the college executive is to attend meetings at the invitation of the committee chair and to provide information for particular agenda items.	G	Remit
C.17 The Audit Committee terms of reference must provide for the committee to sit privately without any non-members present for all or part of a meeting if they so decide. The Audit Committee members should meet with the internal and external auditors without the executive team present at least annually.	G	Audit Committee members meet annually with Internal and External auditors following presentation of accounts without staff present. Standing Orders allow for any committee to meet privately and also to request external advice
C.18 At least one member of the Audit Committee should have recent relevant financial or audit experience.	G	Yes - see membership
Remuneration Committee		
C.19 It essential that members of the Remuneration Committee understand their role and responsibilities. Members must undertake the online training module for Remuneration Committees provided by College Development Network within one month of appointment.	G	Members have undertaken CDN training
C.20 The board must have a formal procedure in place for setting the remuneration of the principal by a designated committee of non-executive members. The board may wish to supplement this by taking evidence from a range of sources. In particular, staff and students should have a role in gathering and submitting evidence in relation to the college principal to the relevant committee.	G	Remuneration policy in place
C.21 The board chair cannot be the chair of the Remuneration Committee (but they can be a member of it).	G	Covered in remit
Financial and Institutional Sustainability		
C.22 The board is responsible for ensuring the financial and institutional sustainability of the body. The board must ensure compliance with its Financial Memorandum (either with SFC or the regional strategic body, depending on which is funding it), including in relation to incorporated colleges and regional boards, relevant aspects of the Scottish Public Finance Manual.	G	Scheme of Delegation and standing orders and code of good governance
C.23 The board must ensure that: - funds are used as economically, efficiently and effectively as possible - effective monitoring arrangements are in place - college staff report relevant financial matters to it.	G	Regular reporting to Finance Committee. Board approve annual accounts
C.24 For colleges that are charitable organisations, board members are also charity trustees. The board of a college that is a charity must ensure its members are aware of their responsibilities under charity legislation and for complying with relevant provisions as set out by the Office of the Scottish Charity Regulator. See OSCR Guidance and Good Practice for Charity Trustees.	G	Part of Induction and relevant OSCR guidance is circulated to Board when it is available

Staff Governance		
C.25 The college board as the employer, is responsible for promoting positive employee relations and for ensuring effective partnership between recognised trade unions and management.	G	HR committee activity, Chair meets with Unions, Board approval of People Strategy, JNCC/LNC meetings attended by both SMT and Unions
C.26 The board must have a system of corporate accountability in place for the fair and effective management of all staff, to ensure all legal obligations are met and all policies and agreements are implemented and identify areas that require improvement and to develop action plans to address them.	G	HR committee reports. Key documents such as Disciplinary and Dismissal policy, People Strategy. Board and Committee consideration and approval of relevant College policies
C.27 The board must comply with the nationally agreed college sector Staff Governance Standard.	G	Comply with standard
C.28 The college board must comply with collective agreements placed on it through national collective bargaining for colleges.	G	HR reports, pay awards implemented in line with nationally negotiated position
Section D: Effectiveness		
The Board Chair		
D.1 The chair is responsible for leadership of the board and ensuring its effectiveness in all aspects of its role. The chair is responsible for setting the board's agenda and ensuring that adequate time is available for discussion of all agenda items, particularly strategic issues. The chair must promote a culture of openness and debate by: - encouraging the effective contribution of all board members - fostering constructive challenge and support to the principal, executive team and fellow board members - effective team-working - positive relations between board members. The chair must engage with the principal and the board secretary in a manner which is both constructive and effective.	G	Board agendas and minutes
D.2 The board and its committees must have the appropriate balance of skills, experience, independence and knowledge of the body to enable them to discharge their respective duties and responsibilities effectively.	G	Skills matrix
Board Members		
D.3 Each board member is collectively responsible and accountable for all board decisions. Board members must make decisions in the best interests of the college and/or region as a whole rather than selectively or in the interests of a particular group.	G	Board induction
D.4 Staff and student board members are full board members and bring essential and unique, skills, knowledge and experience to the board. Staff and student board members must not be excluded from board business unless there is a clear conflict of interest, in common with all board members.	G	Minutes
D.5 Where the college is a charity, all board members, as charity trustees, including staff and student board members, have legal duties and responsibilities under the Charities Act 2005. This includes registering any personal interests that could be seen as conflicting with the interests of the body. The 'objective test' for judging if there is a conflict of interest is: "... whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your decision making in your role as a member of a public body".	G	Minutes showing declaration of interests are covered at every Committee and Board meeting
Principal and Chief Executive		
D.6 The college board must appoint the principal as chief executive of the college, securing approval for the appointment and terms and conditions of the appointment from the regional strategic body if necessary.	G	Board paper and associated minute from appointment
D.7 The college board must ensure there is an open and transparent recruitment process for the appointment. Students and staff must have an opportunity to contribute to the recruitment process.	G	Staff and Students involved in process
D.8 The college board must delegate to the principal, as chief executive, authority for the academic, corporate, financial, estate and human resource management of the college, and must ensure the establishment of such management functions are undertaken by and under the authority of the principal.	G	Scheme of Delegation
D.9 The college board must ensure a clear process is in place to set and agree personal performance measures for the principal. This process should seek the views of students and staff. The chair, on behalf of the board, should monitor, review and record the principal's performance, at least annually, against the agreed performance measures.	G	Chair currently meets with Principal and discusses Principals role and performance with staff and student Board members during one to one meetings annually
D.10 The principal, as a board member, shares responsibility for good governance with the chair and all other members of the board, supported by the board secretary. The principal also enables good governance through supporting effective communication and interaction between the body and the rest of the college including staff and students.	G	Principal communications with staff through efocus briefings, departmental meetings and student council meetings
D.11 The board provides strategic direction for the region and/or college, and the chair provides leadership to the board. The principal provides leadership to the staff of the body.	G	No action needed
D.12 The board must provide a constructive challenge to the principal and executive team and hold them to account.	G	Minutes of meetings
Board Secretary		
D.13 The board as a whole must appoint a board secretary who is responsible to it and reports directly to the chair in their board secretary capacity. 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 appointment and removal of the board secretary is a decision of the board as a whole.	R	Non-compliant on approval of Board with paper and minutes as evidence. Reviewed annually to ensure comfort with this.
D.14 All board members must have access to the board secretary who has an important governance role in advising the board, the committees and individual board members and supporting good governance. The distinctive board secretary role includes: - facilitating good governance and advising board members on: - the proper exercise of their powers, including in relation to relevant legislation - the board's compliance with its Financial Memorandum, the Good Governance Code, its Standing Orders and Scheme of Delegation - their behaviour and conduct in relation to the board's Code of Conduct. - providing clear advice to the chair and the board/committees on any concerns the board secretary may have that board members have not been given: - sufficient information - information in an appropriate form - sufficient time to monitor, scrutinise or make informed and rigorous - decisions in an open and transparent way. - attending and providing support to every board meeting and every meeting of every board committee. Where the board secretary is unable to attend, while the board secretary retains overall responsibility, proper arrangements must be made to cover the role with a person who is fully able to discharge the role effectively. - having an unambiguous right to speak at board and committee meetings to convey any concerns they may have about governance. This extends to someone substituting for the board secretary. - reporting any unresolved concerns about the governance of the body to the relevant funding body (i.e. SFC or the regional strategic body).	G	Board Secretary and Depute Board Secretary in place
D.15 The board must ensure the board secretary: - has suitable skills, knowledge and behaviours to carry out their role effectively - receives appropriate induction, and if new to the role, is mentored by a more experienced board secretary for at least their first year - has adequate time and resources available to undertake their role effectively.	G	Register of training CPD opportunities
D.16 The board must ensure arrangements are in place to deal with a board secretary's potential or real conflicts of interest.	G	Depute Secretary appointed to ensure no conflicts of interest are identified.
Board Member Appointment, Induction and Training		
D.17 For boards with responsibility for board appointments, the board must ensure a formal and open procedure is in place for recruiting and selecting new non-executive board members. Boards must have regard to all relevant Ministerial Guidance on board appointments.	G	Recruitment materials
D.18 The board is responsible for ensuring appropriate arrangements are in place for the conduct of student elections and nominations, and elections of staff members to the board.	G	SA constitution
D.19 The chair must ensure that new board members receive a formal induction on joining the board, tailored in accordance with their individual and collective needs. The board secretary should support the chair in the provision of relevant induction for new board members.	G	Induction materials
D.20 The board must ensure all board members undertake appropriate training and development in respect of their governance role. The board secretary should support the chair in the provision of relevant training and development opportunities for board members, which should be tailored to meet board members skills and needs. The board secretary must keep records of the development activity of board members, including the chair.	G	Board Development Plan includes training

D.21 The board must ensure that new committee members receive a committee induction and have their specific training needs assessed and met.	A	Not in place, speak to Committee Chairs re developing committee specific induction materials
Board Evaluation		
D.22 Extension of the term of office of board appointments requires evidence and the board must ensure appropriate mechanisms are in place to support this.	G	Attendance at meetings, self evaluation, Chair 1:1s with members
D.23 The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three years. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online.	G	In place
D.24 The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs. The evaluation of the board chair should normally be led by the vice-chair/senior independent member.	G	There is evaluation of Board Chair & Committee Chairs
D.25 The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the board.	G	Self evaluation process and Chair review
D.26 The performance of regional college chairs will also be evaluated by the Scottish Government, as regional college chairs are appointed by the Scottish Ministers and are personally accountable to them.	G	Scottish Government conducts this work. FVC supports Chair if requested in evidence gathering
D.27 The performance of assigned, incorporated college chairs will also be evaluated by the regional strategic body, as they are appointed by the regional strategic body and are personally accountable to them.	G	Not Applicable to FVC
Section E: Relationships and Collaboration		
Partnership Working		
E.1 The board must work in partnership to secure the coherent provision of high quality fundable further and higher education in their localities.	G	OA targets and FVC work with CPP's
E.2 The board must ensure effective consultation, local and regional planning and must follow the principles of effective collaborative working: mutual respect, trust and working towards commonly agreed outcomes.	G	OA targets and FVC work with CPP's
E.3 The board must ensure effective partnership working with local and national bodies including businesses, public and third sector organisations to develop commonly agreed priorities following the principles of effective collaborative working.	G	SDS, SFC, Scottish Enterprise, University Articulation agreements, Sector Skills councils, ECITB etc
E.4 The board must encourage and support effective partnership working and collaboration within and across regions to address local needs and meet national priorities and specialisms.	G	College's Scotland Principals and Chairs groups

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1. Purpose

To seek approval from members for the attached draft Corporate Social Responsibility policy.

2. Recommendation

That members consider and approve the attached policy.

3. Background

As part of the External Effectiveness Review conducted toward the end of 2021, there was a recommendation made following comments from Board Members on establishing a College position in regards to working with fossil fuel companies.

At the time of the review, the College committed to developing an ethics policy for presentation to the Board of Management by the end of September 2022.

4. Key Considerations

The Corporate Governance and Planning Officer was tasked with developing a draft ethics policy however, when undertaking this work, recommended to the Vice Principal Finance and Corporate Affairs and the Principal that an overarching Corporate Social Responsibility Policy would be more appropriate.

Following approval to pursue this approach, a scoping exercise of other organisations ethics/corporate social responsibility policies was conducted. The following are some of the organisations that were considered –

- Balfour Beatty Code of Ethics
- Borders College Sustainability Strategy
- College's Scotland Statement of Commitment on the Climate Emergency
- Edinburgh College Sustainability Strategy
- Fife College Environmental and Social Sustainability Policy
- Historic Environment Scotland Framework Document
- SDS Corporate Social Responsibility Policy
- SQA Staff Conduct code
- Standards Commission for Scotland in respect of the Ethical Standards Framework
- University of the West of Scotland Code of Ethics and Social Responsibility Statement
- West College Scotland Sustainability and Corporate Social Responsibility Statement

The attached policy document has been designed to be an overview that sets out the College's intentions across a number of areas. It is not designed to be an operational level document as it was considered that this might cut across a range of existing policies or plans/strategies.

It is designed also to be an aid when policies or plans/strategies are created or renewed to ensure College operations are in adherence with our Corporate values.

The draft plan received input from the Leadership Management Team in August 2022.

If approval is received, the policy will be communicated to all staff.

5. Equalities

Assessment in Place? – No

The Policy is designed as an overarching statement of College intentions for key stakeholders and decision making. Individual policies and strategies that arise from or follow the policy will be assessed as appropriate.

6. Risk

	Likelihood	Impact
Very High		
High		
Medium		X
Low	X	
Very Low		

The College does not operate in isolation from its wider community or changes to societal levels of acceptable activity and should be aware of the impact its decisions may have.

The attached Policy aims to set an overall framework for decision making which is subject to review periods to ensure it remains fit for purpose and meets the expectations of our Board and internal/external stakeholders

Risk Owner – Ken Thomson

Action Owner – Alison Stewart

Paper Author – Stephen Jarvie

SMT Owner – Ken Thomson

Corporate Social Responsibility Policy

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Status	Draft
Date of Version	September 2022
Responsibility for Contents	Corporate Governance and Planning Officer
Responsibility for Review	Vice Principal Finance & Corporate Affairs
Review Date	September 2025
Primary Contact	Corporate Governance and Planning Officer - Extension 3273

1.0 Policy Statement

Forth Valley College is committed to operating in a manner which is ethically sound, socially responsible and sustainability focused.

We recognise that ensuring an ethical and sustainable framework for decision making is not a detriment to sound strategic and operating practices and instead can further enhance the impact of the College.

2.0 Introduction

Forth Valley College is one of the keystone organisations in the Forth Valley area with the potential to have a significant impact on the lives of not only our students and staff, and on the operations of our commercial partners but also on our local and diverse communities and other key stakeholders.

The manner in which the College operates and develops is significant to enhancing this impact, demonstrating ethical leadership to partners and overall continuing the positive outcomes generated by the College.

3.0 A College for All

The College is cognisant of our Public Sector Equality Duty and takes an intersectional approach to all of our equality work. We understand that we have a responsibility to our communities to ensure that we offer equal opportunity for those who share protected characteristics and design our curriculum and services with these groups in mind. We strive to remove barriers to education and work for all and, in doing so, foster a culture that supports those within our community to work towards the elimination of discrimination in wider society. We acknowledge that this work is ongoing and evolving and commit to continued effort in this area.

We are actively engaged with a range of organisations across the Forth Valley area, including all local authorities and major employers, to help shape future developments and identify and deliver the training our communities need to succeed and grow.

4.0 Our Students

Students are at the heart of all we do. We recognise our duty of care in place for students' safety, wellbeing and care. All our students are individuals, with circumstances particular to them and we will, wherever possible, tailor our interactions with each student to reflect this diversity and work in partnership to help them succeed in a welcoming and supportive environment.

The College has a firm commitment as a Corporate Parent and this is embedded throughout our operations to ensure care experienced students receive the support they need to succeed.

5.0 Our Staff

Our staff are instrumental in ensuring that the College continues to operate in a responsible manner. We also recognise our duty to our staff for their safety, wellbeing and care. We will continue our focus on developing wellbeing support for those staff who require it and, more widely, will continue our focus on delivering operating practices which enhance work/life balance. The input and support of our Trade Union colleagues will be significant in supporting this work.

We will also continue to empower our staff to ensure the development and implementation of new ideas, practices and curricula are staff led.

6.0 Our Board of Management

The Board of Management sets the vision, mission, purpose and the strategic direction of the College via the College's Strategic Plan. The range of external experience members bring to decision making is a valuable source of constructive challenge to ensure the principles laid out in this policy are factored into strategic decision making in the College.

7.0 Decision Making

We will seek to ensure decision making at both strategic and operational levels will –

- Ensure we are a responsible steward of public investment with ethical considerations embedded into our procurement strategies
- Wherever possible, deliver positive benefit for the College and/or our communities and stakeholders
- Negate as much as possible any negative impacts on the College and/or our communities and stakeholders
- Meet all expected standards (both legislative and from a range of relevant stakeholders such as quality/awarding bodies)
- Support the drive toward net zero in College operations
- Align with the Board of Management risk appetite for College decision making

8.0 Commercial Training/Relationships

We will demonstrate due diligence in the assessment of new opportunity, particularly in the commercial sphere. We will ensure that Corporate Social Responsibility is taken into consideration when developing and implementing our commercial strategies

9.0 Environmental

We accept that, as a responsible organisation, reducing our environmental impact is one of the most significant contributions we can make to the wider health of our communities. We will continue to promote activities such as active travel and hybrid working, where possible, to deliver a reduction in the environmental impact of the College.

We will also identify and implement measures which will capitalise on the effective utilisation of our campus estate.

We recognise that the College has a significant history of working with petrochemical organisations on the Grangemouth strip and beyond. As these organisations begin the transition toward sustainable goals, our involvement in providing training for existing and future staff members in the latest sustainable practices will be a significant contributing factor to the success of these transitions.

Meeting	Academic Year 2022/23				
Board of Management	Thursday 22 September 2022 Falkirk – Steeple Suite	Thursday 8 Dec 2022 Stirling – S1.18 and S1.19 (Morning Meeting and Xmas lunch)	Thursday 23 Feb 2023 Falkirk – Steeple Suite	Thursday 27/28 Apr 2023 Strategic Session – Venue TBC	Thursday 22 June 2023 Falkirk - Steeple Suite
Remuneration					
Audit	Thursday 8 Sept 2022	Tuesday 15 Nov 2022 5pm Falkirk – Steeple Suite			Thursday 18 May 2023
Finance	Tuesday 13 Sept 2022	Tuesday 15 Nov 2022 4pm Falkirk – Steeple Suite		Tuesday 21 Mar 2023	Tuesday 13 June 2023
HR		Thursday 10 Nov 2022		Thursday 20 April 2023	
Learning & Student Experience		Thursday 27 Oct 2022		Thursday 9 Feb 2023	Thursday 8 June 2023
Nominations	As required				

Scotland's colleges 2022

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AUDITOR GENERAL 

Prepared by Audit Scotland
July 2022

Key messages

- 1** Covid-19 funding contributed to the college sector reporting a healthier than expected financial position in 2020-21. This is forecast to change for the current and next academic years. It will be difficult for Scotland's colleges to balance the delivery of high-quality learning at the volume currently expected and to contribute to other Scottish Government priorities while remaining financially sustainable.
- 2** Colleges have continued to deliver learning in unprecedented circumstances and responded well to the shift to online learning during the Covid-19 pandemic. However, the proportion of students successfully completing their course and achieving their intended qualification has fallen. And on average, socially disadvantaged and vulnerable students were less likely to successfully complete their course than their peers. High rates of student withdrawals may affect the life chances of individual students, impact on wider society, and risk not maximising public investment in the college sector.
- 3** Change is needed to ensure more students are successful and that the college sector is financially sustainable in the long term. Wide-ranging recommendations for change made by the Scottish Funding Council (SFC) in 2021 need to be implemented at the earliest opportunity. The Scottish Government is due to set out the future role of the college and university sectors in 2023, but it is important that the Scottish Government and the SFC support colleges to plan for change now to make best use of available funding.

Scotland's colleges

Scotland has 27 colleges across 13 regions

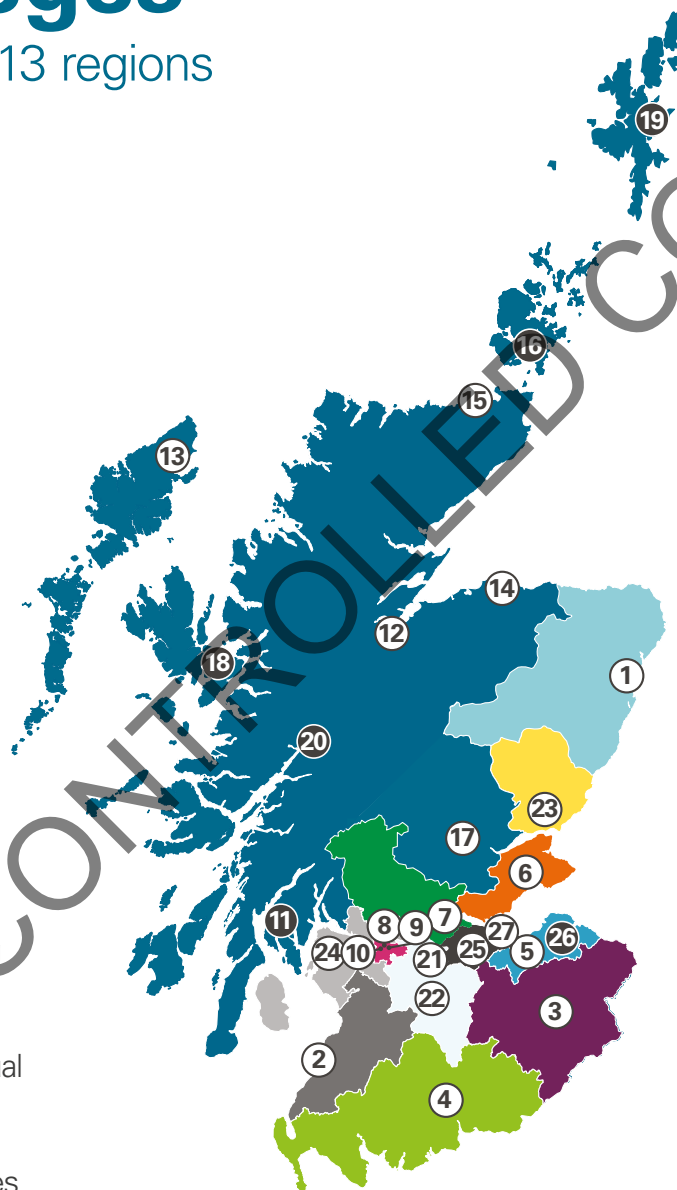
The map shows Scotland's 20 incorporated colleges and six smaller, non-incorporated colleges (in bold). Scotland's Rural College (SRUC) is classed as a higher education institution but counts towards the achievement of the national target for colleges.

Incorporated colleges are classified as public bodies and are subject to audit by the Auditor General for Scotland.

Scotland's colleges offer academic and vocational courses to develop skills and knowledge for work, continued study or general interest. Students can choose to study full-time, day release, evening, block release or on an open learning basis.

Colleges provide both further education (FE) courses – qualifications at [Scottish Credit and Qualifications Framework](#) level 6 and below – and higher education (HE) courses, including Higher National Certificates and Higher National Diplomas.

The Scottish Government sets national policies for learning and provides funding to the Scottish Funding Council (SFC), which is responsible for strategic investment in colleges and universities. The SFC allocates grant funding to college regions and individual colleges not part of a region, and holds them to account for what they deliver. Figures in this report relate to all 27 colleges. Data for the individual colleges is available on Audit Scotland's [learner journey eHub](#).



Region	College
Aberdeen and Aberdeenshire	1 North East Scotland College
Ayrshire	2 Ayrshire College
Borders	3 Borders College
Dumfries and Galloway	4 Dumfries & Galloway College
Edinburgh and Lothians	5 Edinburgh College
Fife	6 Fife College
Central	7 Forth Valley College
Glasgow	8 City of Glasgow College
	9 Glasgow Clyde College
	10 Glasgow Kelvin College
	11 Argyll College
Highlands and Islands	12 Inverness College
	13 Lews Castle College
	14 Moray College
	15 North Highland College
	16 Orkney College
	17 Perth College
	18 Sabhal Mòr Ostaig
Lanarkshire	19 Shetland College
	20 West Highland College
Tayside	21 New College Lanarkshire
	22 South Lanarkshire College
West	23 Dundee and Angus College
West Lothian	24 West College Scotland
n/a	25 West Lothian College
n/a	26 Newbattle Abbey College
n/a	27 SRUC

Covid-19 funding contributed to a healthier than expected financial position in 2020-21

This is forecast to deteriorate in the current and next academic years, meaning colleges face difficult decisions to ensure they remain financially sustainable

Income 2020-21
£792 million

2.3% increase from 2019-20
Real terms: No change

Expenditure 2020-21
£840 million

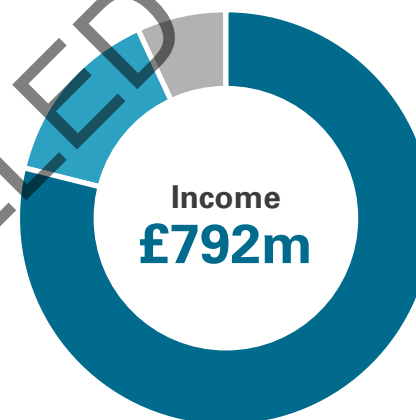
1.4% increase from 2019-20
Real terms: 0.9% decrease

Operating position 2020-21
£47 million deficit

£7m decrease from 2019-20

Adjusted operating position 2020-21
£20 million surplus

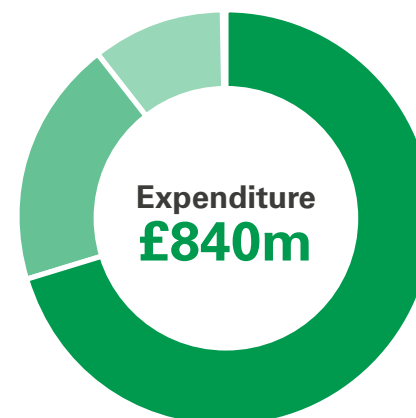
£16m increase from 2019-20
Three colleges reported an adjusted operating (AOP) deficit in 2020-21. 12 colleges are forecasting AOP deficits in both 2021-22 and 2022-23, reducing to nine colleges in 2023-24.



Income 2020-21



● SFC grants	79%
● Tuition fees/ education contracts	14%
● Other income	7%



Expenditure 2020-21



● Staff costs	71%
● Other operating expenses	19%
● Depreciation/ interest	10%

Source: College annual accounts, 2020-21 and [Financial sustainability of colleges and universities in Scotland](#), SFC, March 2022

Scotland's colleges are increasingly reliant on public funding

1. In 2020-21, the [Scottish Funding Council](#) (SFC) provided the college sector with an additional £15 million Covid-related grant. As colleges are not wholly publicly funded, they were eligible to apply for the UK Government's Coronavirus Job Retention Scheme (CJRS). They received £9.9 million of CJRS funding in 2020-21. This resulted in a healthier than expected financial position in 2020-21 and reversed the trend of a growing operating deficit across the sector.

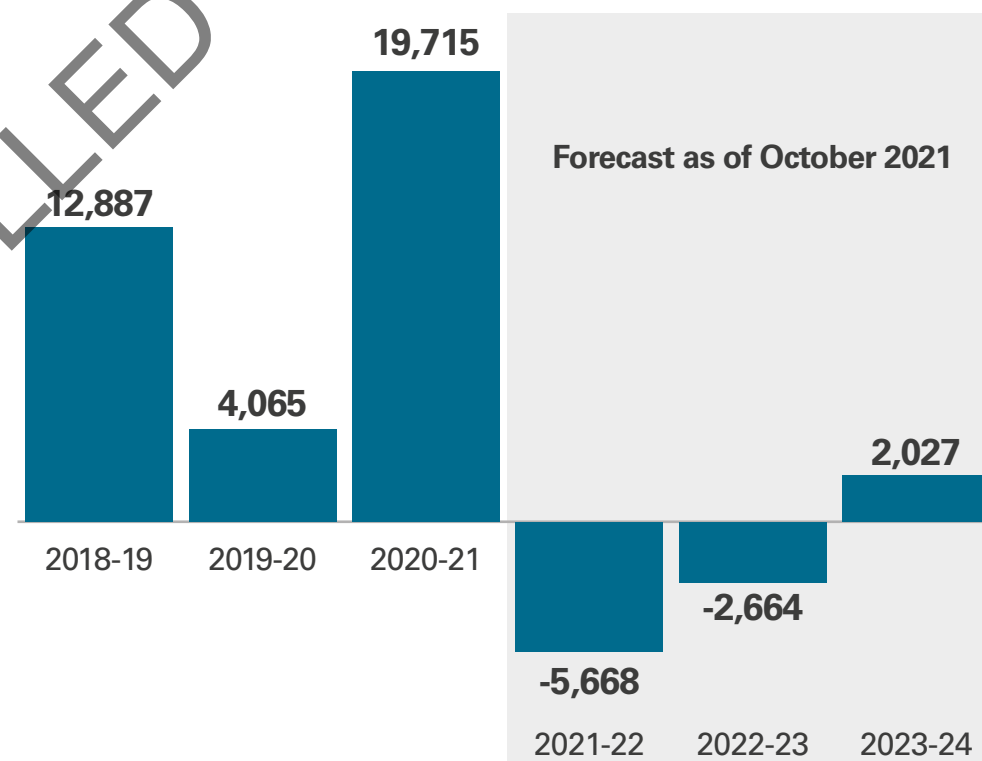
2. In contrast to colleges' increased grant funding, other income fell by £9.5 million/14 per cent (£11 million/16 per cent in real terms) mainly due to the loss of commercial income. As a result, incorporated colleges are increasingly reliant on SFC grants. In 2020-21, 79 per cent of colleges' income was from SFC grants, compared to just under 75 per cent in 2017-18.

3. As public bodies, incorporated colleges are not permitted to retain reserves. At college reorganisation in April 2014, they transferred any reserves to charitable arm's length foundations (ALFs). Colleges can apply to ALFs for funding for capital and revenue projects and can transfer any surplus to an ALF. Over time ALFs have become a reducing source of income, with most colleges having little or no access to ALF funding. In 2020-21, almost £19 million was held across 14 ALFs. Almost 90 per cent of this was concentrated in five ALFs and almost two-thirds (£12 million) within ALFs of the three Glasgow colleges.

Colleges' financial position is forecast to deteriorate

4. Despite the relatively positive picture for 2020-21, the sector's financial position is forecast to deteriorate. Colleges' latest financial forecasts, from October 2021, predict an adjusted operating deficit for the whole sector in the current and next academic years ([Exhibit 1](#)).

Exhibit 1. Adjusted operating position, 2018-19 to 2023-24 (£000)



Source: [Financial sustainability of colleges and universities in Scotland](#), SFC, March 2022

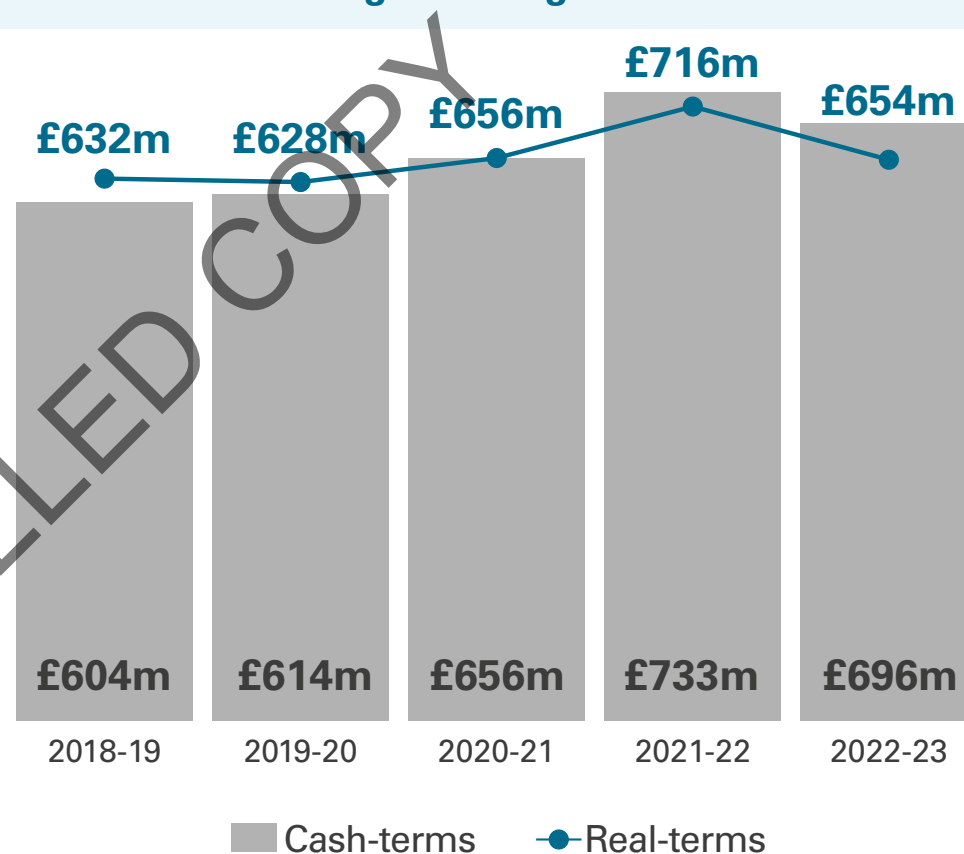
5. College sector funding for the upcoming academic year 2022-23 has fallen considerably, down five per cent to £696 million compared with the current academic year (a fall of nine per cent to £654 million in real terms) (Exhibit 2). Reductions in funding are exacerbated by inflationary pressures and rising costs, putting further stresses on college finances. Colleges spend around 70 per cent of their overall budget on staffing and this is increasing, with increases in employer pension contributions and cost of living pay awards driving up staff costs.

Colleges face difficult decisions to achieve financial sustainability

6. Colleges face a challenge in balancing the delivery of high-quality learning at the volume currently expected with the financial decisions required to remain financially sustainable in the longer term. To balance their budgets, incorporated colleges are striving to increase non-SFC income and reduce costs. Auditors found that around half are considering or likely to consider reducing staff in 2021-22 to deliver savings. This has potential implications for the delivery of learning, student outcomes and the experience of remaining staff. It also heightens the risk of further industrial action within the sector.

7. In the context of growing financial challenges and uncertainties, medium-term financial planning based on as much information as possible is more important than ever. In May 2022, the Scottish Government announced its multi-year spending plans up to 2026/27. This shows a flat cash settlement for the SFC over the next four years, equating to an eight per cent reduction in real terms. The multi-year plan confirms that the college sector faces some really challenging years to come.

Exhibit 2. SFC revenue funding for colleges



Source: College funding allocations, SFC, 2018 to 2022



Staff

10,849 staff (FTE)

50.8% teaching staff | 49.2% support staff

Staff numbers fell by 132 (1.2%) in 2020-21

[College Staffing Data 2020-21](#), SFC, March 2022

The pandemic has had a detrimental impact on learning and student outcomes

The impact has varied across different groups of students, exacerbating existing inequalities



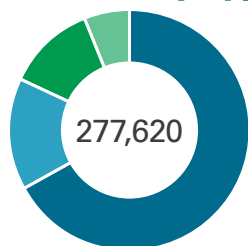
Students

213,135 students (117,914 FTE)

who account for 277,620 enrolments on courses

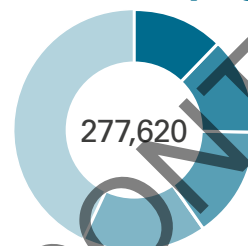
FTE student numbers remain above the Scottish Government's longstanding target of 116,269 FTE. The number of enrolments has continued to fall since peaking at 328,889 in 2018-19.

Students by type



Part-time FE	67%
Full-time FE	15%
Full-time HE	12%
Part-time HE	6%

Students by age



under 16	12%
16-17	13%
18-19	15%
20-24	17%
25 & over	43%



Learning



1,730,519 credits

The amount of learning delivered by the sector (measured in credits) has continued to fall since 2017-18. In 2020-21 it was 0.2% below SFC's national target.



Successful course completion

FE Students: 61.3% full-time | 76.3% part-time
HE Students: 72.1% full-time | 81.3% part-time
 successfully completed their course.



Student withdrawals

Full-time students: 27.7% FE | 17.7% HE
 failed to complete their courses.

Withdrawal rates increased in 2020-21 by 6.9 percentage points and 2.8 percentage points respectively from 2019-20.



Student satisfaction

Full-time students: 88.6% FE | 80.3% HE

Student satisfaction is lower than before the Covid-19 pandemic but remains relatively high.

Source: SFC's [Infact database](#) and reports: [College Performance Indicators 2020-21](#) (April 2022); [College Statistics 2020-21](#) (January 2022); [Student Satisfaction and Engagement Survey 2020-21](#) (November 2021); and [College Leaver Destinations 2019-20](#) (October 2021)

Student outcomes

Figures on students and learning are for 2020-21. In both 2019-20 and 2020-21, some, mainly practical, courses could not be completed due to Covid-19 restrictions and more students deferred their courses.

Rates for students successfully completing their course and achieving a qualification in 2020-21 do not include 13,074 full-time and part-time students who had deferred at least one of their college courses.

The SFC will revise statistics for 2020-21 in future to include the outcomes for students who have deferred their courses beyond 2020-21.



Due to alterations to exam and assessment arrangements during the Covid-19 pandemic, it is not possible to directly compare student success in 2019-20 and 2020-21 with previous years to examine a longer-term trend.

and others may face unemployment. High rates of student withdrawals present a risk to the life chances of individual students and also to value for money, if public investment in colleges is not maximising the potential benefits for students or society more widely.

9. The reasons behind students not completing college courses will be wide and varied. Surveys by [NUS Scotland](#) and the [Scottish Government](#) of college and university students suggest that student poverty could be a contributing factor. The NUS has stated that around two-thirds of students have experienced mental ill health as a result of financial pressures and a third have considered dropping out of their course due to financial difficulties. Many colleges have highlighted that they are actively working to better support students in addressing poverty and mental health challenges ([Case study 1](#)).

Fewer students successfully completed their course and achieved a qualification

8. Before the pandemic, around one in four full-time further education (FE) students (24.7 per cent) failed to complete their college course. The proportion of students withdrawing from courses fell in 2019-20, to around one in five full-time FE students (20.8 per cent). Withdrawal rates increased noticeably in 2020-21 (to 27.7 per cent), with fewer full-time FE students successfully completing their course and achieving their intended qualification than before the pandemic. The destination of students not successfully completing their courses is not monitored, but the pathways they take and the impact on their life chances will vary. For example, some students may leave college early to enter employment, others may decide to pursue further education elsewhere,

Case study 1. College support for students

Food poverty



Several colleges provide free hot breakfasts and/or lunches to students. This provides an incentive for students to attend college, ensures that no one goes through the day hungry and helps with student mental health and wellbeing.

Mental health support

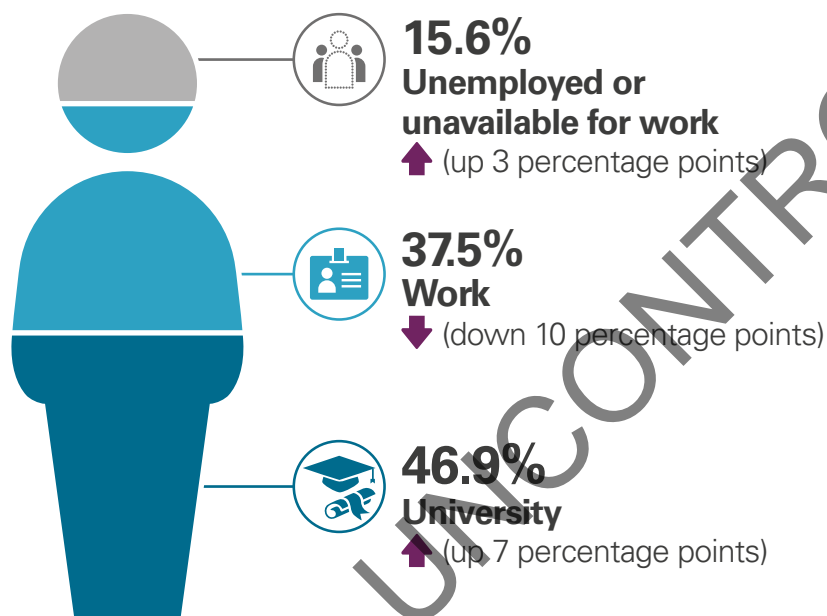


Most colleges introduced or expanded their mental health support for both students and staff during the Covid-19 pandemic. New developments introduced by colleges include an in-house mental health service and mental health counsellors; compulsory mental health training for managers; and specific spaces created for staff and students to allow quiet contemplation or to talk about issues affecting their mental health.

Fewer college leavers went on to a positive destination after leaving college

10. In 2019-20, 84.4 per cent of full-time college leavers went on to positive destinations (down 3.4 percentage points from 2018-19) ([Exhibit 3](#)). For FE students, 74.5 per cent moved into a positive destination, compared to 90.3 per cent of HE college leavers. Fewer college leavers went into work but more went to university.

Exhibit 3. College leaver destinations



Source: [College Leaver Destinations 2019-20](#), SFC, October 2021

Covid exacerbated existing inequalities among students

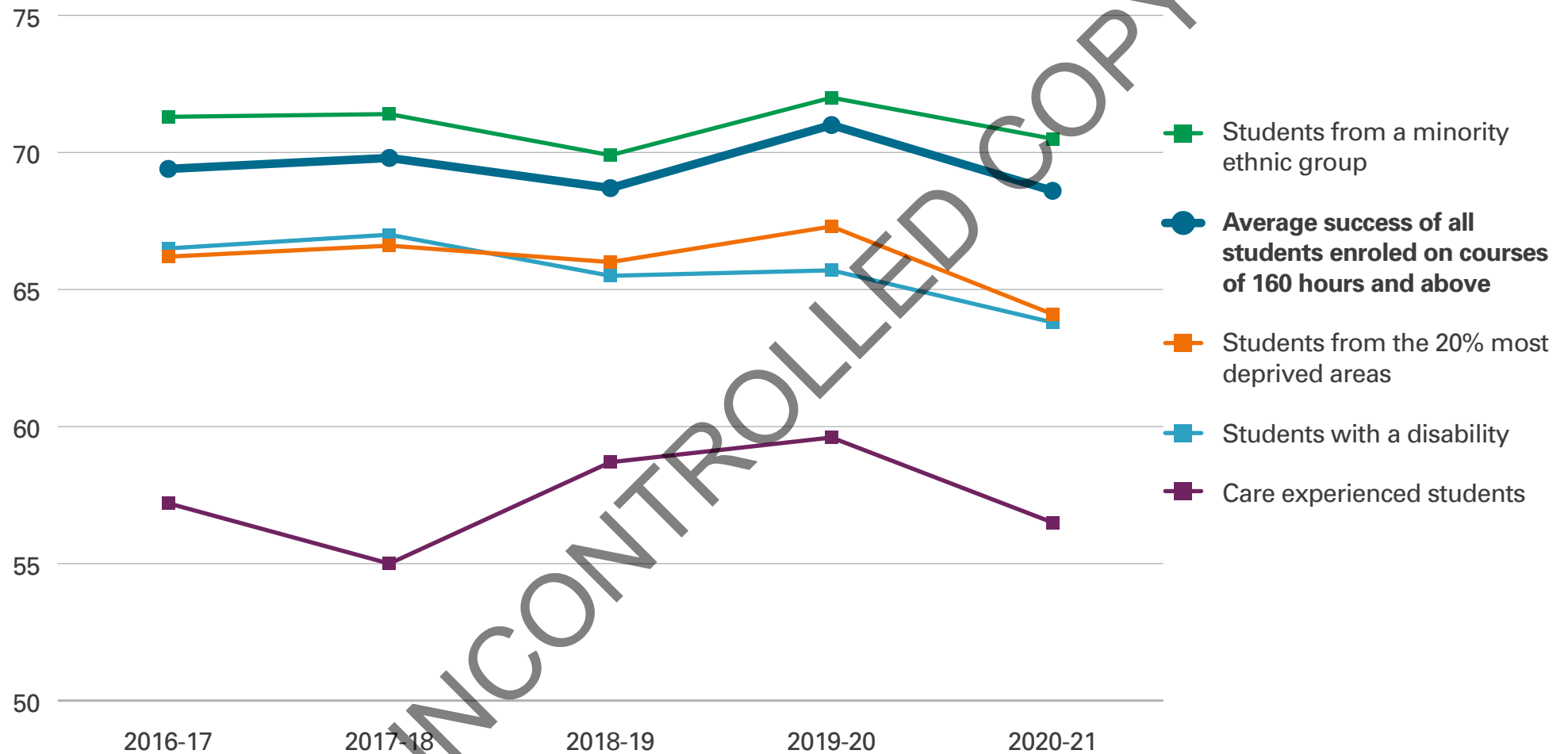
11. On average, just over two-thirds of students (68.6 per cent) successfully completed their course in 2020-21 ([Exhibit 4, page 10](#)). In comparison, just over half (56.5 per cent) of students who have been in care, and less than two-thirds of students from the most deprived background (64.1 per cent) or with a disability (63.8 per cent) successfully completed their course. The [SFC](#) highlights that these students are also less likely to go on to a positive destination than their peers after leaving college.

12. The [Commissioner for Fair Access](#) has highlighted that students from the most deprived backgrounds have been hardest hit by the impact of the Covid-19 pandemic, experiencing digital poverty, financial hardship and worse mental health. Acknowledging that progress towards fair access continued in 2020-21, the [Commissioner](#) warned that the full impact of disrupted learning due to the pandemic may become apparent in future years and the cost-of-living crisis will affect those who are disadvantaged hardest. The [Scottish Government](#) has also reported that the disruption to learning during the pandemic is likely to have adversely affected the most socially disadvantaged and vulnerable students. It also had a significant impact on those studying vocational and practical courses, with a potential knock-on effect on the pipeline of skills needed in the economy.

13. The SFC and colleges are committed to widening access to learning and to tackling all forms of inequality and promoting diversity among students. Colleges are demonstrating this commitment in some positive practical ways ([Case study 2, page 11](#)).

Exhibit 4.

Success rates (the proportion of students successfully completing their course) by characteristic group



Note: Average figures include all enrolments on recognised courses of 160 hours and above.

Source: [College Performance Indicators 2020-21](#), SFC, 2018 to 2022

Case study 2. College initiatives to support inclusion

Rockpool podcasts – Ayrshire College

Rockpool Podcasts started during the period of Covid-19 restrictions to give music and sound production students a creative outlet in a blended learning environment. The podcasts feature a mix of interviews, special guests, stand-alone episodes and themed episodes. They have provided a platform to discuss several equality related issues, such as race, LGBT+ inclusion, mental health, women's rights and gender-based violence. The college reports that the podcasts are helping to mainstream equality, diversity and inclusiveness throughout the college community and beyond. They have around 1,300 listeners per week and are reaching audiences in 36 countries.



[Listen to Rockpool podcasts](#)

Neurodiversity in cybersecurity project – Fife College

The Neurodiversity in cybersecurity project was developed in response to Skills Development Scotland identifying a gap in support for neurodivergent students. Evidence suggests that people who are neurodivergent, in particular those with autism, are likely to have the aptitudes needed for cybersecurity roles. A fund was created to help run a short course on digital forensics and protecting computer systems and networks from information disclosure. The course was delivered by Fife College lecturers to a group of S3 pupils from Levenmouth Academy. The project also included the creation of an awareness training module with support from Autism Network Scotland. The college plans to extend it to other schools across Fife.



Remote learning presented benefits and challenges for college staff and students

14. A significant feature of the Covid-19 pandemic was a shift to online learning. In June 2021, Her Majesty's (HM) Inspectors from Education Scotland reported that Scotland's colleges developed [remote learning](#) 'well and at pace' and in a number of [practical ways](#). The [Scottish Government](#) reported that remote learning brought a number of benefits, including flexibility for students in when, where and how frequently they accessed learning. Education Scotland's HM Inspectors highlight that remote learning has benefited learners who manage other responsibilities alongside their studies, such as caring for others, home schooling or work commitments. A [SFC survey](#) shows that students were fairly satisfied with online resources and communication about changes to their courses during the pandemic.

15. Remote learning also brought numerous challenges to college staff and students. For colleges, this included quickly providing digital equipment and access, developing digital skills, assessing the quality of remote learning, and supporting the wellbeing and mental health of staff and learners from a distance. Education Scotland's HM Inspectors found that digital poverty (including lack of access to IT equipment, the internet or a quiet space to work) and poor connectivity impacted on some learners' ability to engage with remote learning. Younger learners and students with additional support needs or poor mental health found engaging in remote learning challenging. This has been particularly evident in programmes that consist of large elements of practical work. Colleges report that remote learning was most effective in theory-based subjects and at an advanced level, and that overall learner engagement has been less positive on FE programmes in comparison to HE courses. Reduced face-to-face learning also impacted on opportunities for students to develop essential social skills. Over the past two academic years, the SFC has provided colleges with £5.7 million of dedicated funding to tackle digital poverty and support digital learning. It is providing a further £2.9 million in 2022-23.

Change is needed within the college sector to improve outcomes and financial sustainability

The college sector needs clear strategic direction for the short and longer term

Wide-ranging recommendations for change need to be implemented at the earliest opportunity

16. As we have reported in previous years, colleges were facing a number of challenges prior to the Covid-19 pandemic. These included ensuring long-term financial sustainability, reducing the proportion of students who do not complete their courses, increasing student success and closing the attainment gap for more disadvantaged students. Responding to these challenges, while continuing to deliver high-quality learning and contributing effectively to the delivery of wider Scottish Government priorities, may prove even more difficult in a post-Covid environment with increasingly challenging financial settlements for colleges.

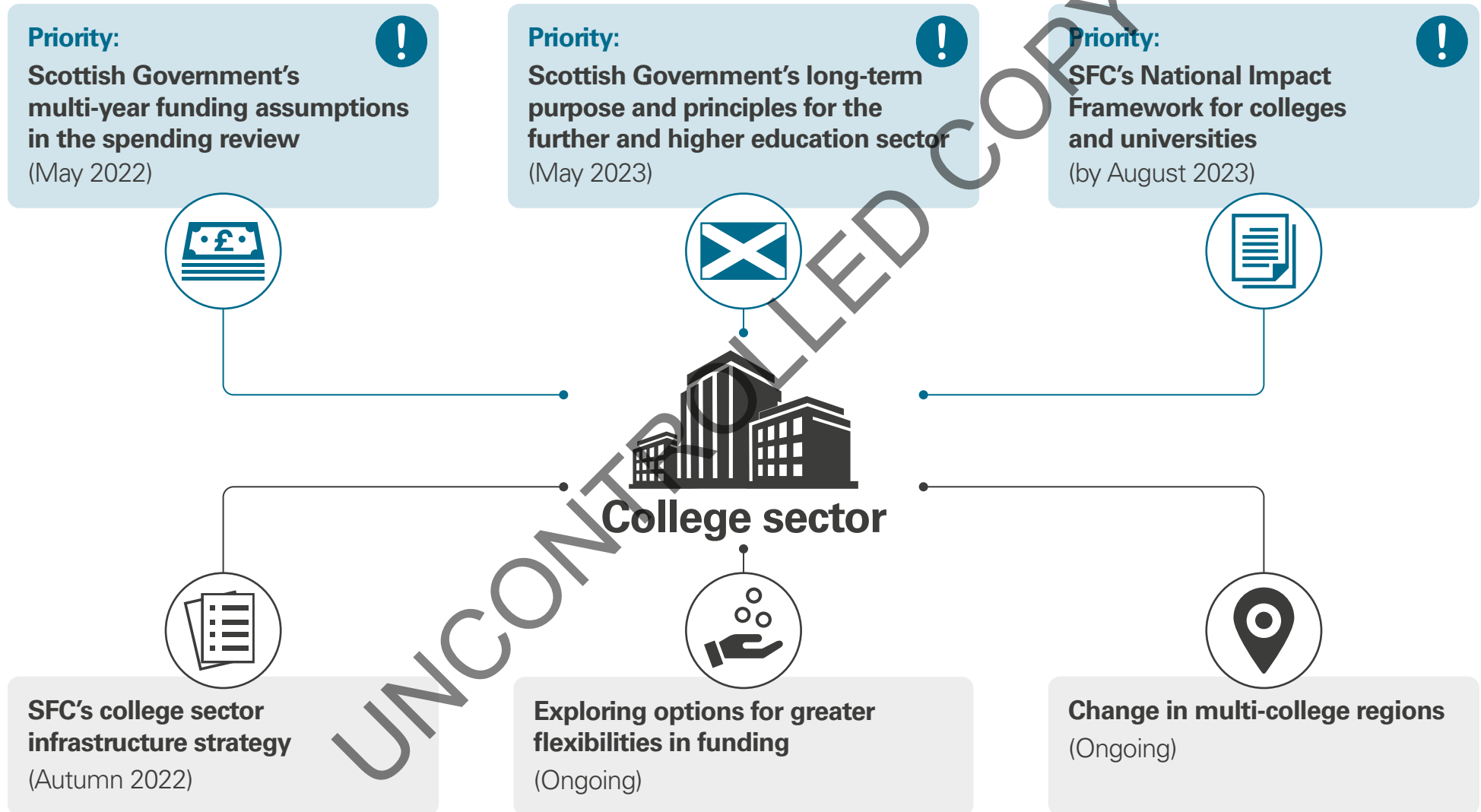
17. In June 2020, in response to the Covid-19 pandemic, the Scottish Government commissioned the SFC to carry out a review of the provision and sustainability of further and higher education and research across Scotland (the SFC review). The SFC's [final report](#) from this review, published in June 2021, is wide-ranging and includes over 50 recommendations aimed at securing coherent, good-quality, sustainable tertiary education and research. In October 2021, the Scottish Government [broadly accepted](#) the SFC's recommendations.

18. The Scottish Government and the SFC are starting to take forward the recommendations in the SFC review. They have prioritised a range of work, including publishing multi-year funding assumptions, setting out the future role for the college, university, skills and research system (known as the 'purpose and principles') and developing a new National Impact Framework, which is intended to clarify the outcomes expected from colleges and universities and how they will be assessed ([Exhibit 5, page 13](#)).

19. It is critical that changes in the college sector address the immediate financial sustainability challenges facing colleges and maximise opportunities for students. The recommendations from the SFC review need to be implemented at the earliest opportunity. It is important that the Scottish Government and the SFC consider how best to support colleges to prepare and plan for change now, ahead of the longer-term role of the sector being set out in 2023. This should include supporting colleges to develop realistic medium-term financial plans and forecasts to help mitigate immediate risks to their financial sustainability.

Exhibit 5.

The college sector is facing a period of change



Source: Audit Scotland

The Scottish Government and the SFC need to provide clarity to support long-term plans for improvement

20. To support colleges in planning for and implementing proposed changes over the longer term, the Scottish Government and the SFC need to clarify expectations and priorities for the sector for the medium and long term, and the funding available to deliver them. In doing this, it will be important for:

- the Scottish Government's 'purpose and principles' and the SFC's National Impact Framework to set out clear and consistent expectations for the sector. These should reflect relevant objectives and outcomes in the [National Performance Framework](#) and other national strategies and plans (such as addressing inequality and disadvantage, developing a skilled workforce and securing a just transition to carbon net zero, which are priorities in the [National Strategy for Economic Transformation](#)).
- the SFC, in partnership with the college sector and Scottish Government, to determine the most appropriate model for funding colleges, and the targets underpinning it, that will allow colleges to deliver national policies and priorities and contribute to their long-term financial sustainability.
- the Scottish Government and the SFC to determine the evidence needed to demonstrate how the implementation of specific changes will contribute to a more sustainable college sector and improved outcomes for students and the economy, and the SFC to ensure information is available to monitor and measure performance and progress.
- the Scottish Government and the SFC to ensure that any future changes to governance, accountability, roles and responsibilities are clear and fully understood by key stakeholders.

Climate change priorities will require greater capital investment

21. Capital funding from the Scottish Government/SFC has consistently fallen short of the level needed for both regular lifecycle maintenance of the college estate and to address the level of backlog maintenance identified in a [SFC condition survey](#) in 2017 ([Exhibit 6, page 16](#)). As such, maintenance needs have grown over time and pose a risk to colleges' ability to maintain the suitability and safety of their buildings. The Scottish Government did not announce any additional capital funding in its multi-year spending review in May 2022.

22. In [Scotland's Colleges 2019](#) we recommended that the SFC and Scottish Government agree and publish a medium-term capital investment strategy that sets out sector-wide priorities. Progress in developing an infrastructure strategy for the sector has been impacted by the Covid-19 pandemic and remains slow, but it is due for publication in autumn 2022. It is important that the strategy recognises the role of colleges in responding to climate change.

23. In February 2021, the college sector published its [commitment to tackling the climate emergency](#), including an ambition to achieve net zero by 2040, five years earlier than the national target of 2045. Individual colleges are taking a range of actions to reduce their environmental impact, but achieving net zero will require large and sustained capital investment in the sector over time ([Case study 3](#)).

Case study 3. College activity to tackle climate change

Renewable training centres

In June 2021, nine new [Renewable and Energy Efficiency Training Centres for Scotland](#) were launched within Scotland's colleges. These are funded by Scottish Power Energy Networks' £20 million Green Economy Fund. Relevant colleges will be at the forefront of training and upskilling for the future renewables and energy efficiency workforce in Scotland to accelerate the just transition to carbon net zero by 2045.



Climate action roadmap for colleges

The Climate Commission for UK Higher and Further Education developed a [road map](#) to help colleges reach the net zero target. The road map is intended to be used by college principals and their leadership teams, students, and other members of the college community to explain their approach to reaching net zero emissions.



Exhibit 6.

Since 2018-19, college capital funding has fallen £321m short of the amount required for lifecycle and backlog maintenance



Backlog maintenance

£93m
funding
provided
(26%)

↓
£270m shortfall

Requirement:
£363m
over 5 years
(to 2022-23)



Lifecycle maintenance

£59m
funding
provided
(54%)

↓
**£51m
shortfall**

Requirement:
£110m
over 5 years (to 2022-23)

Source: College funding allocations, SFC, 2018 to 2022

The pace of reform in multi-college regions needs to quicken

24. In [Scotland's colleges 2018](#) we recommended that the Scottish Government and the SFC assess and report publicly on the extent to which the regional strategic boards (RSBs) are meeting the aims of regionalisation in multi-college regions. The SFC reviewed the three multi-college RSBs and in October 2020 [recommended](#) that the Lanarkshire Board be dissolved, Glasgow consider other organisational options, and the University of the Highlands and Islands (UHI) consider consolidation and possible mergers. In October 2021, the [Scottish Government](#) endorsed these recommendations. Almost two years since the SFC made its recommendations, changes are still to be implemented. To date:

- The intention remains to dissolve the Lanarkshire RSB, with both colleges managing themselves as separate regional entities. A timetable for this is still to be agreed.
- Three colleges assigned to UHI – Lews Castle College and North Highland College (both incorporated) and West Highland College (non-incorporated) – are considering a merger (from 2023 at the earliest). Several other larger colleges in the UHI region are facing significant financial challenges, which this proposed merger will not address. Wider-ranging changes to the regional college structure may be needed to address the financial risks facing the other incorporated colleges.
- Glasgow Colleges' Regional Board (GCRB) and its three assigned colleges are exploring other organisational options but are finding it difficult to reach agreement on a way forward. GCRB needs to address this with a sense of urgency.

25. The significant challenges presented by the Covid-19 pandemic have inevitably impacted on progress towards implementing the SFC's recommendations for multi-college regions. RSBs now need to return to addressing these recommendations with a sense of urgency. The current inquiry by the Scottish Parliament's [Education, Children and Young People Committee](#) into what has been learned from college regionalisation will be an important source of evidence to help inform future change.

We will continue to monitor changes in the college sector

26. We report annually on the audits of Scotland's 20 incorporated colleges and will continue to monitor developments across the college sector. Given the range and timing of proposed changes in the sector, we will consider the most appropriate point to report on their impact on the sector.

Scotland's colleges 2022

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CDN National Governance Programme 2022-23

The 2022-23 CDN National Governance Programme provides support to College Board Members and Governance Professionals.

The Programme has 5 key strands of activity:

- New Board Member Induction Sessions
- Student Board Member Induction (with sparqs and NUS Scotland)
- 'Meet the Stakeholder' Update Sessions
- Governance Topics Workshops
- Governance Professional Workshops

Through the CDN Governance Hub (<https://bit.ly/CDNGovHub>) we offer a range of resources including:

- The CDN Board Development Framework
- The Governance Professional's Handbook
- The Guide for College Board Members
- The Get Into Governance Programme (<https://bit.ly/CDNGiG>)

CDN also supports the Governance Professional Network, consisting of an active online discussion group and four network meetings per year.

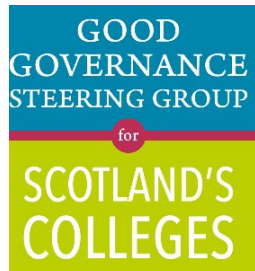
The year culminates in May with the CDN Leadership and Governance and Summit, providing board members, senior leaders and governance professionals the chance to hear from and engage with key strategic influencers in the College and wider education and public sectors.

The 2022-23 CDN Governance Programme Calendar All meetings are held online via the CDN Conference Platform. Booking information available [here](#)

	September	October	November	December	January	February	March	April	May
Board Member Induction	13/09/22 10.00 to 12.30		22/11/22 10:00 to 12.30		24/01/23 16.00 to 18.30 (Evening)		07/03/23 10.00 to 12.30	25/4/23 10:00 to 12.30	
Student Member Induction	01/09/22 & 02/09/22 10:00 to 12.30 NUS and SPARQS								
Meet the Stakeholders				06/12/22 10.00 to 12.00 Policy and Funding SFC, Colleges Scotland, Scottish Government					
Governance Topics		25.10.22 09.30 to 11.00 The Real Work of the Board - Moving into Governance Steve Mostyn Associate Fellow at Saïd Business School, Oxford and Honorary Professor at the Adam Smith Business School University of Glasgow	02/11/22 10.30 to 12 noon Understanding PREVENT Responsibilities Scottish Government		07/02/23 10.00 to 12.00 All you need to know about college funding James Thomson Director of Finance, Student Funding and Estates Ayrshire College		08/03/23 Your Regional Economy Needs You! How college leaderships are shaping economic recovering and curating environmental renewal. Paul Smart, Ross Martin, Willie Mackie CDN Economic Recovery Group		
Governance Professional Workshops			14/11/22 10.00 to 15.00 COSLA Conference Centre, Edinburgh Governance Professional All Day Event						
Governance Professional Network Meeting	12/09/22 10.00					20/02/23 10.00			22/05/23 10.00

Leadership & Governance Summit										TBC
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Dr Waiyin Hatton
Chair of the Good Governance Steering Group
Regional Chair, West College Scotland

Introduction

I was privileged to take over as chair of the Good Governance Steering Group (GGSG) in March this year, when Ken Milroy who had been chair of the group since 2016, stepped down from his position as Regional Chair of North East Scotland College.

I have spent the last few months getting on top of my brief and thought it would be an opportune time to provide an update to the college sector's leaders and governance professionals on the work of the GGSG.

Work of the GGSG

As expected over the past few years, Covid-19 has been the main priority for the Scottish Government and previously planned activity, including any key consultation and legislation changes, centred around the college governance reforms have had to be put on hold. However, I am pleased to report that the GGSG has recently been revisiting the timescales around these reforms and I am able to provide an update on some of these.

As you will be aware, in early 2019, the Minister announced further governance reforms for Scotland's colleges. A summary of these, along with revised timescales for implementation, are noted below:

- **Remuneration of Assigned College Chairs** – this would be in line with what already happens with the 13 Regional Chairs. [revised timescales for implementation: 2024]
- **Trade Union Nominees on Boards** – two trade union nominees (one nominated by support staff unions and the other nominated by the teaching staff union) will be included on boards of incorporated colleges and regional strategic bodies. This is in addition to the two existing staff representatives. There are currently no plans to increase student representation. [revised timescales for implementation: August 2023]
- **Review College Sector Board Appointments: Ministerial Guidance 2014** – will be refreshed and updated. [revised timescales for implementation: November 2022]
- **Co-operation with Funding Bodies** – this would allow the Scottish Funding Council (SFC) to undertake reviews of any college as they see fit. [revised timescales for implementation: 2024+]
- **Attendance at Board Meetings by Funding Bodies** – this would allow SFC to attend the board meetings of assigned colleges. [revised timescales for implementation: 2024+]
- **3E Examinations and the Non-Incorporated Colleges** – further investigate allowing the Auditor General for Scotland to have the ability to conduct economy, efficiency and effectiveness reviews with the non-incorporated colleges that are not part of a local authority. [revised timescales for implementation: 2024+]
- **Suspension of Board Members by Appointing Bodies** – bringing colleges into line with other Scottish public bodies where appointing bodies may suspend board members. [revised timescales for implementation: 2024+]

Some of these governance reforms will require full consultation as well as both primary and secondary legalisation.

Further details and timescales for each of these areas can be found in the **College Governance Implementation Plan** which is outlined in **Annex 1**. While timescales are currently indicative, the Scottish Government has agreed with the GGSG to revisit the 2024+ timescales for the Remuneration of Assigned College Chairs with the aim of finalising this earlier.

Further details of the current activity in relation to several areas is noted below:

Trade Union Nominees on Boards (Incorporated Colleges and Regional Strategic Bodies)

The Scottish Government will be soon publishing its 12-week consultation on the Draft Order – starting mid-July until mid-October 2022. It is anticipated that the sector will fully implement changes by August 2023.

Interim Guidance for Observer Status for Trade Union Members on Boards

In light of the Ministerial decision for two trade union nominated members (one nominated by support staff unions and the other nominated by the teaching staff union) to be added, in addition to the elected staff representatives, to the board composition for incorporated colleges and regional strategic bodies, and in keeping with the agreed Staff Governance Standard, the GGSG would encourage all boards, as an interim arrangement, to adopt observer status for these appointments.

This interim arrangement will also assist with any transition when the legislation is passed by the Scottish Parliament.

While the GGSG supports this arrangement, it also has an expectation that all individuals with observer status will act accordingly when attending board meetings in this capacity and will adhere to the key principles, along with board members, from the *Code of Good Governance for Scotland's Colleges* and *Model Code of Conduct for Members of Devolved Public Bodies* which includes observing the highest standards of ethical conduct, respecting confidentiality at all times, and complying with all regulations.

While observers attending board meetings will receive information provided to other members of the board (including papers and minutes), they may not be permitted to formally vote on matters submitted for a vote however, they may be granted the right to speak at meetings, following permission by the chair. The chair would also determine if there were any reserved matters that it was not appropriate for an observer to receive papers or be included in discussion.

Procedure for the Election and Appointment of the Trade Union Nominees

The GGSG has been developing the guidance around a nomination's procedure for the election and appointment of the TU nominees. This is currently being finalised with the GGSG and will be shared with the sector shortly.

Other guides relating to the election of staff and student board members have also been reviewed recently and College Development Network (CDN) will publish any updated guidance and share it with the sector.

College Sector Board Appointments: Ministerial Guidance 2014

The Scottish Government policy team is currently working with the GGSG to review and revise the *College Sector Board Appointments: Ministerial Guidance 2014*. The sector will be consulted on the changes during August 2022, ahead of an updated guidance being published in November 2022.

Externally Facilitated Effectiveness Reviews

The 2016 Code of Good Governance for Scotland's Colleges states that "The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three years".

The GGSG considered CDN's *Overview of the External Governance Effectiveness Reviews for Scotland's Colleges 2020/21* report and agreed to change board externally facilitated evaluation reviews to 'every three to five years', in line with the university sector. This change has been endorsed by both the Scottish Government and SFC.

CDN will publish an updated Guidance Note on Conducting Externally Facilitated Effectiveness Reviews and share it with the sector.

2016 Code of Good Governance for Scotland's Colleges

The GGSG has been reviewing and revising the current *Code of Good Governance for Scotland's Colleges* periodically over the last two years, in line with legislative changes and good practices. It was envisaged that an updated Code would be published before now however, the GGSG decided to wait until the revised timescales by the Scottish Government on the governance reforms were known before deciding when to publish an updated Code. This was discussed again at a recent GGSG meeting, and it was agreed to publish an updated Code ahead of the new academic year and then make further revisions where appropriate. The GGSG will publish an updated Code and share it with the sector.

The GGSG also agreed that following the implementation of the governance reforms and when further revisions are made to the Code, ahead of publishing it, the GGSG will conduct an **Islands Community Impact Assessment** to ensure any changes to the Code do not adversely affect colleges boards within the Scottish islands.

Further Information

As key work on governance reforms is taken forward, we will aim to keep college sector's leaders and governance professionals briefed on progress. In the meantime, and for information, a note of the current composition of the GGSG and contact details for any enquiries, are noted below:

GGSG Membership and Contact Information	
Membership <ul style="list-style-type: none">• Four regional/assigned college chairs• Four college principals (or senior college staff)• Two college governance professionals• Representation from STUC (EIS/UNISON)• A representative from NUS Scotland• A representative from Scottish Government• A representative from SFC• A representative from Colleges Scotland• A representative from CDN• A representative from OSCR	Contact <p>Frances Harrower Secretariat for the Good Governance Steering Group frances.harrower@collegesscotland.ac.uk M: 07725 557342</p>

Good Governance Steering Group
July 2022

College Governance Implementation Plan

Governance Decision	Impacts on	Deliverables	Lead	Supported By	Timescales
1. Chairs of the assigned colleges chairs (incorporated) are to be remunerated at a rate determined by the Scottish Ministers.	<ul style="list-style-type: none"> Regional and Assigned College Chairs Regional strategic bodies Regional Colleges Assigned incorporated college boards Scottish Funding Council 	<ul style="list-style-type: none"> Review the current pay arrangements for regional college chairs against the Scottish Government's Pay Policy Technical Guide for 2019. 	SG	SFC	Complete
		<ul style="list-style-type: none"> Report back to GGSG. 	SG	GGSG	Complete
		<ul style="list-style-type: none"> Consider whether assigned college (incorporated) chairs should be Ministerial appointed. 	SG	SFC	Complete - decision made not to.
		<ul style="list-style-type: none"> Develop a business case (determining affordability by consulting with RSBs and regional colleges) prior to primary legislation. 	SG	SFC	2023 +
		<ul style="list-style-type: none"> Report back to GGSG. 	SG	GGSG	2023 +
		<ul style="list-style-type: none"> Propose amendments the Further and Higher Education (Scotland) Act 1992. 	SG	SFC	2023 +
		<ul style="list-style-type: none"> Consult on amendments to the Act. 	SG	SFC	2023+
		<ul style="list-style-type: none"> Develop new Pay Guidance on passing of the amendments to Act. 	SG	SFC	2024+
		<ul style="list-style-type: none"> Consult on new Pay Guidance 	SG	SFC	2024+
		<ul style="list-style-type: none"> Issue new Pay Guidance. 	SG	SFC	2024+
2. Trade Union nominees will be added to the boards of the incorporated colleges, the GCRB and the Lanarkshire Board, in addition to the elected staff representatives.	<ul style="list-style-type: none"> Trade Unions Regional strategic bodies Regional colleges Incorporated assigned colleges Scottish Funding Council 	<ul style="list-style-type: none"> Establish a working group to prepare boards and ensure an effective implementation and report back to GGSG. 	GGSG	CS	Complete
		<ul style="list-style-type: none"> Review various legals around the proposed implementation to ensure the various Acts are considered and aligned. 	SG	OSCR	Complete
		<ul style="list-style-type: none"> Discuss the impacts of the changes on board compositions directly with GCRB and Lanarkshire board. 	SG	SFC	Complete
		<ul style="list-style-type: none"> Discuss with the impacts of the changes directly with UHI. 	SG	SFC	Complete

Governance Decision	Impacts on	Deliverables	Lead	Supported By	Timescales
		<ul style="list-style-type: none"> Review current board/RSB compositions considering the increase in staff members and the changes to the remuneration of assigned college chairs. Provide guidance around compositions - minimum and maximum numbers. 	SG	SFC	Complete
		<ul style="list-style-type: none"> Review/amend existing guidance or the code and/or develop new guidance (quorum on board committees, conflict of interests, time off for public duties, accountability and conduct, committee remits). 	CDN	Board Secretaries Network	Complete
		<ul style="list-style-type: none"> EIS/UNISON to develop principles around a nominations process. 	EIS/UNISON	SG	Complete
		<ul style="list-style-type: none"> Develop guidance around a nominations process and consult with trade unions and boards. 	CDN	Board Secretaries	Ongoing
		<ul style="list-style-type: none"> Consider strengthening as part of the Induction Training Programme how to manage conflict of interests (OSCR's involvement from a charities trustee perspective - Duties and Accountabilities) 	CDN	OSCR	Complete
		<ul style="list-style-type: none"> Amend both the 1992 Act and the 2005 Act by Subordinate legislation (including consultation process). 	SG	SFC	June 2022 - July 2023
		<ul style="list-style-type: none"> Sector to fully implement the changes. 	ALL		August 2023

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Governance Decision	Impacts on	Deliverables	Lead	Supported By	Timescales
3. College Sector Board Appointments: Ministerial Guidance 2014 will be refreshed and updated.	<ul style="list-style-type: none"> Scottish Funding Council Regional strategic bodies Regional college boards Assigned college boards Scottish Funding Council 	<ul style="list-style-type: none"> Review current Ministerial Guidance. 	SG	SFC	Complete
		<ul style="list-style-type: none"> Establish working group of GGSG to review and recommend amendments to the current Guidance. 	GGSG		N/A
		<ul style="list-style-type: none"> Report back to the GGSG. 	SG	GGSG	Complete
		<ul style="list-style-type: none"> Update Ministerial Guidance to include: <ul style="list-style-type: none"> improving succession planning co-opting members board vacancies advertised on the CDN website Gender Representation of Public Board Act 2018. 	SG/ Public Appointments Team		Complete
		<ul style="list-style-type: none"> Consult on the updated Ministerial Guidance. 	SG		August 2022
		<ul style="list-style-type: none"> Issue new Ministerial Guidance, alongside revised Code. The revised code could be issued without the guidance. 	SG		November 2022
		<ul style="list-style-type: none"> Sector to fully implement. 	ALL		November 2022
4. Colleges Development Network to embed teamwork within the induction training of board members.	<ul style="list-style-type: none"> College sector board members Scottish Funding Council 	<ul style="list-style-type: none"> CDN to review training needs prior to AY 2019/20. 	CDN		Complete
		<ul style="list-style-type: none"> Report back to the GGSG on outcome of review. 	CDN	GGSG	Complete
		<ul style="list-style-type: none"> Roll out training. 	CDN		Complete - rolling out as of October 2019

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Governance Decision	Impacts on	Deliverables	Lead	Supported By	Timescales
5. Develop guidance for the SFC and colleges to follow in relation to any specific reviews undertaken by SFC of colleges under section 7C(7) of the Act (which relate to reviewing statutory criteria for a body to remain eligible for funding).	<ul style="list-style-type: none"> Regional strategic bodies Regional college boards Assigned college boards Scottish Funding Council 	<ul style="list-style-type: none"> Scope out potential guidance, taking into account the role of the RSB. 	SG	SFC	2023+
		<ul style="list-style-type: none"> Report back to GGSG 	SG/SFC	GGSG	2023+
		<ul style="list-style-type: none"> Draft Ministerial Guidance 	SG	SFC	2024+
		<ul style="list-style-type: none"> Report back to GGSG 	SG	SFC	2024+
		<ul style="list-style-type: none"> Consult on the Ministerial Guidance 	SG	SFC	2024+
		<ul style="list-style-type: none"> Issue Ministerial Guidance 	SG	SFC	2024+
6. Introducing the ability of SFC to attend the board meetings of assigned colleges.	<ul style="list-style-type: none"> Regional strategic bodies Regional college boards Assigned college boards Scottish Funding Council 	<ul style="list-style-type: none"> Scope out potential guidance around what this legislation change aims to achieve, taking into account the role of the RSB and the removal of assigned colleges as fundable bodies. 	SG	SFC	2023+
		<ul style="list-style-type: none"> Report back to the GGSG 	SG	GGSG	2023+
		<ul style="list-style-type: none"> Seek approval from the Scottish Funding Council for permission to remove assigned colleges from Schedule 2 of the 2005 Act (fundable body status). 	SG	SFC	2024+
		<ul style="list-style-type: none"> SFC to issue their decision. 	SFC		2024+
		<ul style="list-style-type: none"> Issue a removal of assigned colleges from Schedule 2 by Order (subordinate legislation) and Introduce a Power in Schedule 2 by Order (primary legislation) to allow the Scottish Funding Council to attend the board meetings of assigned colleges. 	SG	SFC	2024+
		<ul style="list-style-type: none"> Sector to fully implement. 	ALL		2024+

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Governance Decision	Impacts on	Deliverables	Lead	Supported By	Timescales
7. Further investigate allowing the Auditor-General for Scotland the ability to conduct economy, efficiency and effectiveness reviews with the non-incorporated colleges that are not part of a local authority.	<ul style="list-style-type: none"> UHI Argyll College Sabhal Mor Ostaig West Highland College Newbattle Abbey College Scottish Funding Council Audit Scotland 	<ul style="list-style-type: none"> Consultation with the affected colleges and UHI, examine the potential impact on the independent status of non-incorporated colleges and ONS reclassification as well as consider the dependency on alignment with potential other changes to the Public Finance and Accountability Act. 	SG - Policy/ Finance Teams	Audit Scotland	2023+
		<ul style="list-style-type: none"> Ministerial decision. 	SG		2024+
		<ul style="list-style-type: none"> Report back to the GGSG. 	SG	GGSG	2024+
		<ul style="list-style-type: none"> Amend the Public Finance and Accountability Act 2000 by Order to allow for the AGS to conduct 3E examinations - <i>this action is still to be determined and is within the remit of Finance, not College Policy.</i> 	SG Finance		2024+
		<ul style="list-style-type: none"> Ability now available to Audit Scotland. 	Audit Scotland		2024+
8. Allow for appointing bodies to suspend members they appoint in line with other Scottish public bodies.	<ul style="list-style-type: none"> Scottish Government Regional Strategic Bodies 	<ul style="list-style-type: none"> Examine how this would work in principle and how different this would be from dismissal. Also, how this would tie into the review of the Charities and Trustees Investment (Scotland) Act 2005. 	SG		2023+
		<ul style="list-style-type: none"> Report back to the GGSG. 	SG	GGSG	2023+
		<ul style="list-style-type: none"> Amend the 1992 Act by Primary legislation. 	SG		2024+
		<ul style="list-style-type: none"> Develop new Board Member Suspension Guidance on passing of the amendments to Act. 	SG		2024+
		<ul style="list-style-type: none"> Consult on the Board Member Suspension Guidance. 	SG		2024+
		<ul style="list-style-type: none"> Issue Board Member Suspension Guidance. 	SG		2024+
		<ul style="list-style-type: none"> Sector to fully implement the changes. 	ALL		2024+