Publishable

BOARD OF MANAGEMENT		
There will be a meeting of the Board of Management on 26 September 2023 at 1730 hours via Microsoft Teams or in the Boardroom at South Lanarkshire College		
AGENDA		
Agenda Item	**Item**	**Paper (Yes or No)**	**Owner**
01	**Apologies for Absence**	N	PS
02	**Declaration of any potential Conflicts of Interest in relation to any Agenda items**	N All	All
03	**Minutes of Previous Meetings** Minutes of Board of Management 1 June 2023.	Y	PS
04	**Matters Arising from the Previous Meeting**	N	PS
	Matters for Approval		
05	Board Recruitment Update	N	PH
06	Governance Professional Appointment	Y	PH
	Matters for Discussion		
07	Chair's Update	N	PH
08	Principal's Update	Y	SM
09	Finance Forecast Review 2022-23 to 2025-26	Y	KMA
10	Strategy Summary Discussions	Y	SM
11	Governance Rolling Review	Y	PS
12	Student Association Report	Y	KW
	Matters for Information		
13	College Cashflow and Quarter 4 Management Accounts.	Y	KMA
14	Risk Register	Y	KMA
15	Sector Reforms	Y	SM
16	Audit Scotland: Scotland's Colleges 2023 Report	Y	SM

17	SQW: Labour Market Intelligence Paper	Y	SM
18	Reports by Chairs of Committees • Curriculum, Quality and Development • HR • Audit and Risk • Finance and Resources (Ratification of Minutes)	 N Y N Y	 JG HA CMc CG
19	Board of Management Appointments	Y	PS
	Items Reserved by Reason of Commercial Confidentiality		
20	Minutes: LED Supply	Y	PS
21	Minutes: LED Installation	Y	PS

22	Minutes: Re Maintenance Contract/Special Board Action	Y	PS
	Reserved Item		
23	Employment Tribunals	N	PH
24	Summation of Actions and Date of Next Meeting	N	PS
25	Any Other Business	N	PS

Key: PS Peter Scott, PH Paul Hutchinson, SM Stella McManus, KMA Keith McAllister, JG Prof Jo Gill, HA Heather Anderson, CMc Craig McLaughlin, CG Clare Gibb, KW Kayleigh Wither

BOARD OF MANAGEMENT

Present	In attendance
P Hutchinson (Chairing Member)	McAllister (Head of Finance)
S McManus (Principal)	G McIntosh (Head of Human Resources)
H Anderson	S Gray (Trade Union Observer)
R Calin (Student Member)	K Wither (Student President Elect)
A Doherty (Staff Member)	E Hamilton (Student Vice President Elect) C Gibb
(Chair of FRC)	R Harkness
D Morrison (Vice Chair)	Wilma McLeod
T Robertson (Staff Member)	J Mulholland (HMIE)
F Whittaker (Senior Independent Member)	G Thom (SQW)
	R Murray (SQW)
Clerk – P Scott (Governance Professional)	

1	**Apologies for Absence** T Harris D Hogan C McDowall C McLaughlin R Smith H Stenhouse
2	**Declaration of any potential Conflicts of Interest in relation to any Agenda items** None declared
3	**Minutes of Previous Meetings** The Minutes of the Board of Management Meeting on 9 March 2023 were duly approved.
4	**Matters Arising from the Previous Meeting** There were no matters arising other than covered under other Heads of Business
	Reserved Item Not publishable being the draft of a Report which would be published later in final form.

5	**The 2021/22 Audit of South Lanarkshire College - Draft Report** The Principal commented that by and large this was favourable in that it confirmed that the breaches disclosed in the section 22 Report for the previous academic year had been cured, that the college was now fully compliant with the Code of Good Governance and that it demonstrated sound management. It was unfortunate, however, that the Report had not incorporated certain minor changes which had been suggested to clarify some of the detail. The Chairing Member reminded the Board that the report showed a balanced budget despite the challenges faced by the sector as a whole and that other colleges had been less successful financially across the year.

6	**Board Recruitment Update** The Governance Professional reported that a robust process was underway to identify, select and interview individuals who would be able to make a valuable contribution as Board Members. One of the recommendations which had been taken on board in course of the successful Governance Improvement Plan had been the need to stagger the terms of office of Board Members in the interests of better succession planning and to that end the process would result in phased appointments which would spread appointment dates more evenly.
	Matters for Discussion
7	**Education Scotland Annual Engagement Visit: His Majesty's Inspector of Education Report** The March annual engagement visit had been highly successful and staff had engaged honestly and openly with the Inspectorate. Significant progress had been made against actions identified in the previous Visit – and the College had in fact gone beyond the requirements. No main points of action had been identified and the areas for development were reflective of the Colleges own analysis. The Inspector reported that the Student Association was operating well and student feedback had been used well. Curriculum areas were sharing best practice effectively. Positive practices developed during COVID had been continued – which was commendable. Meta skills were strong in only a few areas and so this was work in hand but the college compared favourably with other colleges in respect of this area. Student destinations were positive but, in common with the sector as a whole, student satisfaction returns were low. Data for the sector was only now available but broadly: • Full time FE numbers were 2% above average • Part time FE was 3% below average • HE full time was 6% above average • HE part time was 2% above average • Withdrawal rates are better than the national average but • Partial success rates are not looking so good The Board wished to place on record their gratitude to staff for their very considerable efforts to achieve such an excellent report. The Principal would ensure that the message was passed on to staff at the forthcoming Staff Conference. The Governance Professional took the opportunity of flagging up in presence of the Inspector that a later item on the Governance Rolling Review would identify that staff input was being actively encouraged so as to ensure that, going forward, the staff voice is both heard and acted upon.

8	**SQW: South Lanarkshire Overview** The board then benefitted from a detailed and informative presentation. This would not unfortunately be available for publication as it was the copyright of the presenting organisation but members were encouraged to raise, now or later, any issues which they wished clarified.: - Amongst the key points noted were: - - South Lanarkshire is a much larger area than might be thought. - The area has an ageing population but also has a large number of under 15s within its boundaries. - The area is developing fast but 15 of the population is <u>not</u> well connected. - Even where parts are well connected the public transport links are <u>not</u> well connected. - Drive times however are good. - Employment rates are high but with pockets of deprivation. - Of the economically active 2/3rds are women - Growth area for employment are in the care sector, retail/wholesale outlets and the service industries - Despite rising employment there are high numbers of part time workers - Manufacturing is however declining across the board. - The gender imbalance in earnings was striking. - There have been marked improvements in travel for commuters. - But the Council Plan does not clearly identify a role for the college and should be a topic for future conversations. In course of discussion, it emerged that a potential growth area might be in respect of the high number of dwellings which need to be retrofitted to comply with climate emergency responses – where industry might need an increased number of trained personnel. Overall this was felt to be a most enlightening presentation which gave much food for thought.

9	**Chair's Update** The Chairing Member updated the Board with regard to ongoing developments. His intention was to hold an early meeting with staff to update them on;- • The implications of the proposed Section 22 report – which had of course shown that any Governance issues have been resolved and the college is now fully code-compliant • The outcome of the investigations and any Employment Tribunal implications – where the time for application has now all but run out • The implications of the "flat cash" settlement which had been imposed. In broader terms the College is moving towards replacement of the current Governance Professional with a permanent replacement and other roles were also being looked at. The sector was clearly facing challenges in light of the "flat cash" settlement and this had not been helped by the clawback of £26M of funds which had earlier been allocated by the Government.
	No central direction had been given as to how colleges could manage the real funding cuts or how the outcome of ongoing pay bargaining was to be funded. The discussions on dissolution of Regional Boards were ongoing. New College Lanarkshire was in a less advantageous financial position than SLC but the unique structure of the LRSB seemed, at best, imperfectly understood in some external quarters.
10	**Principal's Update** The Principal had communicated the college concerns with what appeared to be a disadvantageous funding model for SLC compared with other colleges to Karen Watt, CEO of the Scottish Funding Council but she had been reluctant to interfere with the LRSB proposed funding allocation. The college was proceeding with internal restructuring, but she could assure all present that there were no current proposals for redundancy.
11	**Governance Rolling Review** The Governance Professional presented the most up to date iteration of the Rolling Review which had now been considered by all committees. He would welcome any additional observations but before the next Board he would discuss with the internal Auditors how this could be fleshed out and taken forward as a dynamic record of ongoing review.

	Student Association Report
	The outgoing Student Presidents spoke to the Student Association Report which is referred to for its detailed terms.
	Amongst the highlights noted were:-
	• LGBT History Month
	• Purple Friday
	• Focus on Student Poverty
	• Emily Test GBV Charter
12	• Step into Future Careers Event
	• International Women's Day
	• Foundation Students' success
	• Employer Engagement Event
	• Mental Health Awareness Week
	• College Way Market – free sustainably sourced clothing
	Taken in the round, the Board felt that this sent out a positive message but concerns were expressed that some students were still struggling in these difficult times and the Board was mindful of the need to access whatever sources were available to provide support. In that connection the Principal advised that she had recently been in touch with 3rd sector representatives and was hopeful that the College might be able to host a 3rd sector conference to consider the very real pockets of poverty which existed.
	The Board not only took the opportunity of welcoming the new office bearers but paid particular tribute to the outgoing President Rahela Calin who had been a breath of fresh air throughout her term of office.

	For Approval

13	**2023-24 South Lanarkshire College Budget** The Board considered very carefully the paper as presented and which is referred to for its detailed terms, It was noted that the assumptions made regarding income, non-salary income and payroll did not take into account the, as yet unsettled, pay increases for 2022/23 and 23.24. It was clear that the College had suffered a significant reduction in teaching activity with a consequent reduction in courses and leaning activity and the Board could only instruct management to actively seek further savings with a view to presenting a plan to reduce the budget deficit for 2024/25. The Board acknowledged the efforts of the curriculum teams in planning the portfolio for next year so as to reduce temporary staffing requirements and deployment of under-utilised staff to cover absences wherever possible. The Board remained confident that, despite the potential for significant budget deficits appropriate actions can be taken to address such but of the three Planning Scenarios presented the smallest, but least likely, deficit would be £761K. The other two scenarios produced deficits respectively of £1304K and £1780K. After detailed discussion the Board approved the draft Budget but only up to the maximum deficit as above identified. If the deficit looked likely to exceed that figure then the draft Budget would have to be brought back to the Board foe further consideration. In essence the College would need to trim costs wherever possible and try to identify additional income streams. In the meantime, the College wanted staff to be reassured that there are no immediate plans for redundancy – albeit staff cost savings would require to be achieved by the natural cycle of retirement and external promotions. The Principal emphasised that there need to be a joint approach from all colleges as this was a sectoral problem over which individual colleges had no control
14	**Draft Report from the Audit and Risk Committee to the Board of Management and Audit Scotland** The Board considered the draft Report which is referred to for its detailed terms. In approving the draft report for submission to audit Scotland and the Scottish Funding Council the Board noted that:- • The process of signing off the accounts had been a challenging one and the statements had been signed off later than anticipated. • The college had been non-compliant with the Code of Good Governance at the start of the 2021/22 Financial Year but had made significant improvements and had been fully compliant as at at 31st July 2022 and beyond. • The final external audit report had been positive. • The internal audit service had produced a positive opinion. • The work of the Audit Committees of both SLC and NCL were fully aligned. • Although a further section 22 report was inevitable, it was not anticipated that this would identify any ongoing breaches of the Code • The college had participated in a National Fraud Initiative but no issues of concern had been raised.

15	**Fitness to Study Policy** The Board considered and approved the Policy bas presented and which is referred to for its detailed terms. Clearly it was not intended to disadvantage students in any manner of way and it was suggested therefore that at Stage One of the process, provision could be made for the presence/ support of a scribe and/or representation so as to provide appropriate support. The policy had been fully considered already at the committee stage and was a response to the increase in the number of students presenting with complex barriers to learning which might impact on other learners and staff with the intention of allowing students with such complex barriers the opportunity of continuing or pausing studies as appropriate with view to achieving the best learning outcomes for all .
16	**Safeguarding Policy** The Board considered and approved the Policy as presented and which is referred to for its detailed terms. The updated policy had already been fully considered at the committee stage and was fully consistent with the College commitment to best practice in safeguarding evaluation, training and support.
	Matters for Information
17	**Financial Forecast and Cashflow** The Board considered and approved the paper as presented and which is referred to for its detailed terms. This third quarter forecast provided the narrative to the forecast for the year to 31st July 2023 With an increase in expected income and a reduction in pay costs, the deficit had been somewhat reduced but it was important to bear in mind that the salary award for 1st September 2022 had still to be agreed and that an increase of even 1.0% beyond current projections would result in an additional cost of £!25 K It was also noted that the potential impact of the Job Evaluation Scheme had not been factored in.
18	**Risk Register** The Board considered and approved the Paper as presented and which is referred to for its detailed terms. The Register Update had already been approved by the Audit & Risk C and presented to the Audit & Risk Committee of the LRSB. The main challenge continued to be the reduced central cash settlement as recently announced for 2023/24. The most recent guidance suggested that the funding stream will not increase over the short term. The Board suggested that the risk factor shown against Governance should perhaps be reviewed in the light of the very clear improvements which had been made over the course the financial year and which had been commented upon favourably in course of the audit process.

19	**Reports by Chairs of Committees** • **Curriculum, Quality and Development** The Committee Chair had tendered apologies but had intimated that the work of the Committee had been fully addressed in course of the papers as submitted to the Board under other heads of business
	• **HR** The Committee Chair had tendered apologies but had intimated that the work of the Committee had been fully addressed in course of the papers as submitted to the Board under other heads of business • **Audit and Risk** The Clerk advised that he had ben given a statement to read out but was able to confirm that all points had already been covered under other heads of business except for two points under risk namely that the Board should note that (a) the risk of rising energy costs had been substantially mitigated by the installation of solar panels and (b) the committee, moving forward would be pressing for a closer link as between identification of the risk appetite and the specific content of the Risk Register • **Finance and Resources** The Committee Chair likewise confirmed that the content of her report had already been covered under other heads of business but it was worth recording that in looking for Value for Money the involvement of APUC in procurement had already resulted in considerable contract savings
20	**Summation of Actions and Date of Next Meeting** The Clerk advised that he had minuted the sundry approvals but not minuted any specific action points as the only matters arising would be addressed as operational matters
	Any Other Business 1. The Principal advised that funding in the sum if £377K had been received for LED lighting and that she would liaise with the Governance Professional to obtain all necessary consents for the placement of appropriate contracts 2. The Clerk issued a provisional schedule of meetings for the forthcoming academic year. He would firm up on the detail and circulate a final schedule over the summer months but there was not likely to be nay material change dates would be unlike to under

Board of Management

DATE:	26 September 2023
TITLE OF REPORT:	Appointment of Governance Professional
REF	06
AUTHOR AND CONTACT DETAILS	Chairing Member
PURPOSE:	To consider and approve the recommendation of the Appointments Committee
KEY RECOMMENDATIONS/ DECISIONS:	The Board is asked to: • Formally appoint Paul McGillvery as Governance Professional - subject only to completion of the Enhanced Disclosure formalities • Note that the new postholder will be mentored during his first year by appropriately qualified professionals in accordance with the Code of Good Governance
RISKS	• Failure to make a permanent appointment would be noncompliant with an outstanding Audit recommendation
RELEVANT STRATEGIC AIM:	• Compliance with the Code of Good Governance
SUMMARY:	Following a robust appointments process with the support of Aspen People, the Appointments Committee unanimously agreed to recommend to the Board that the said Paul McGillvery be appointed as Governance Professional to succeed the current post-holder

BOARD OF MANAGEMENT

DATE	26 September 2023
TITLE OF REPORT	Principal's Update
REFERENCE	08

AUTHOR AND CONTACT DETAILS	Stella McManus Stella.mcmanus@slc.ac.uk
PURPOSE:	To provide members with information not included on the Board of Management meeting agenda.
KEY RECOMMENDATIONS/ DECISIONS:	Members are recommended to: • note the impact of ASOS and industrial action on the students as well as on the financial health of the College. • agree that the College awaits the outcome of the ballot in October before moving ahead with the least risky option of agreeing a partial deduction to pay with the unions; and • note that both Vice Principal roles have now been filled
RISK	• That continuing industrial action will further impact students and the financial stability of the College. • That any action the College takes regarding Action Short of Strike Action has reputational, legal and financial risks impacting on staff relations.
RELEVANT STRATEGIC AIM:	• Successful Students • Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	• The College has achieved the credit target for 202223, pending the outcome of the credit audit. The 2% tolerance is still in place for the academic year 202324. • Industrial action, in particular, Action Short of Strike Action has had a significant impact on students, with members with holding results. No national position is being taken, instead colleges have been encouraged to seek their own legal advice due to contracts being different at a local level. • The legal advice includes, maintaining the status quo, making partial pay deductions without union agreement or making deductions with union agreement. Should the latter not occur, a further option of withholding full payment could be
	considered. All of the options have legal, reputational and potential financial repercussions, • The College has successfully recruited to the Vice Principal positions, as well as the Marketing and Communications Manager and the Governance and Executive Manager. • The Principal has met a range of stakeholders from across the sector and has now been approved to join two Boards, the College Development Network and Construction BE-ST.

1. INTRODUCTION

1.1 The purpose of this report is to provide members with information not included on the agenda of the Board Meeting scheduled for 26 September 2023.

2. CREDIT TARGET 2022-23

2.1 For the 2022-23 academic year the College had a core credit allocation of 48,591 and 221 credits for Foundation Apprenticeships totalling 48,812 credits. College teams have worked tremendously hard to have achieved the credit target. This is of course dependent on the credit audit which takes place at the end of August 2023

2.2 A reminder that the Scottish Funding Council (SFC) has also provided colleges with a 2% positive or negative threshold tolerance against its target, for 2023-24, however, should colleges consistently be 2% under their credit targets then clawback of funding should be assumed.

3. RECRUITMENT

3.1 Following a robust selection process, the College is pleased to announce that Angela Pignatelli has been appointed the Vice Principal for Learning, Teaching and Student Experience and Elaine McKechnie will undertake the role of Vice Principal of Finance, Resources and Sustainability. The College is delighted to have appointed such excellent candidates, both of whom have a wealth of knowledge and experience.

3.2 The College has also successfully filled the roles of Governance and Executive Support Manager, Marketing and Communications Manager and Deputy Head of Management Information Systems.

4. INDUSTRIAL ACTION

4.1 The academic teaching union EIS-FELA announced that they were undertaking "Actions Short of Strike Action" (ASOS) from the 2 May 2023. In accordance with the ballot, the industrial action short of a strike has taken the following forms:

4.1.1 'working to rule', where members perform their duties strictly to the letter of their contract i.e. refusing to take on any additional duties or attending voluntary or extracurricular meetings or events; and

4.1.2 a resulting boycott, involving members withholding students' results.

4.2 The Colleges Principals' Group met on 14 August 2023 and again on 12 September 2023, and there is no sector wide stance on ASOS, instead colleges have been advised to seek legal advice where appropriate and to manage the industrial action locally. The Scottish Government has asked all colleges to complete a weekly survey so that the national situation can be assessed.

4.3 This action has had a significant impact on students who require their results to progress onto further study or employment. It has also prevented planned external verification activity from happening and the Graduation has been postponed to 27 February 2024. In addition, as progress forms, which are not end of programme results, for apprentices have not been completed this is now starting to affect income from organisations such as the Construction Industry Training Board (CITB), the

Scotland and Northern Ireland Plumbing Employer's Federation (SNIPEF) and Skills Development Scotland (SDS). To date, the College has approximately 16,500 outstanding results and this has affected 2,800 students, with the College yet to receive payments of approximately £410k from these agencies.

4.4 The Minister for Higher and Further Education and Veterans held a meeting on 4 September 2023, with a particular focus on those students with missing results progressing to university. This involved representatives from universities, Universities Scotland, Colleges Employers Scotland and the Principal as the college sector representative. This meeting also focussed on the non-completion of apprenticeship progress forms, and when the issue of the non payment to colleges arose, the Minister instructed SDS to pay colleges. SDS have now requested ministerial direction. The College will continue to work with these agencies to continue to mitigate risk as far as possible for students.

4.5 In the interests of honesty, transparency, fostering good relations and being one of the only colleges to not undertake redundancies this academic year, I reached out to Stuart Brown, National Officer of EIS-FELA to ask for further clarification regarding non completion of progress forms. Unfortunately, no such clarification was received and instead I was informed that the EIS-FELA Committee lead on national industrial action strategy. The College has since advised all staff that they should perform their duties in line with their contractual obligations, and that it was seeking legal advice in terms of the next steps.

4.6 Legal Advice

4.7 The College's legal advisors Anderson Strathern have provided the following legal advice as according to them, the employees' conduct is a clear breach of contract. The options are listed below:

4.7.1 option one: accept partial performance of the contract as being sufficient and pay staff in full;

4.7.2 option two: refuse to accept partial performance of the contract, tell staff that will not be paid at all and that any work they choose to perform is being performed voluntarily. (It is possible to provide an ex-gratia payment however e.g. 50% of salary, providing it is paid even to those who perform no work at all.)

4.7.3 option three: agree with the union an appropriate deduction to reflect the value and importance of the activity which the staff are refusing to perform.

4.8 Option one and paying staff in full is the current situation and there is no apparent reason to believe that staff will relent, unless a deal can be reached through collective bargaining and the union then withdrawing from the action.

4.9 Option two, involves the College refusing to accept partial performance of the contract, and not paying staff at all, and informing them that any work they choose to perform is being performed voluntarily.

4.10 This is the approach being adopted by many universities in relation to the Marking and Assessment Boycott (MAB). However, most of the universities have been paying staff something as a gesture of goodwill (50% of pay is common.) Universities have received considerable adverse publicity as a result of the significant deductions from salary and have received multiple grievances. Court action relating to deductions is expected for some universities. It is not clear exactly what way that court action would go because there is competing case law on the area. While the law is clear that an employer does not have to preclude an individual from working, there is case law that, where an employer facilitates an individual performing their remaining duties, the employer will be deemed to have accepted partial performance and will be required to make full pay to the employee.

4.11 Therefore, if going down this route, the College would have to be very careful in how this is communicated to employees. Managers on the ground will also have to be careful how they communicate with colleagues. It must be made very clear to colleagues that any work that they do, will be performed voluntarily. The College must be willing to pay the % of pay (e.g. 50%) to those employees who refuse to perform any work as well as to those who only perform some of their duties. No employees would receive nil pay.

4.12 Option three is to agree with the union an appropriate deduction to reflect the value and importance of the activity which the staff are refusing to perform. In the situation with the universities, the union had been willing to agree variations to contracts that would allow staff to perform some of their role for some of their pay, with the parameters to be agreed between the union and the employee.

4.13 This option is lower risk than option 2 but, because the figure would have to be agreed, the deduction is likely to be fairly low. If the College unilaterally set the deduction without union agreement and offered to pay employees X% in return for doing their remaining duties, it would potentially be in breach of section 145B of the Trade Union and Labour Relations (Consolidation) Act 1992 and be exposed to a punitive award of over £5,000 per union member that chooses to bring a claim. Therefore realistically, this option is only an option if a particular figure can be agreed with the recognised unions.

4.14 Further options also include disciplining or even dismissing staff however, this could further inflame matters and also trade union members have a right to take industrial action, and there are further complexities in law around being a public body and human rights breaches.

4.15 Conclusions

4.16 The College has the following options:

4.16.1 to maintain the status quo and do nothing and accept that the behaviour will only change when the dispute with the union is resolved through national collective bargaining around terms and conditions. It should be noted that Unions are expected to ballot for further industrial action at the start of October which is likely to include the continuation of ASOS and further strike action.

4.16.2 agree to accept partial performance and make a deduction of pay which the College has unilaterally decided, i.e. not agreed with the union. This exposes the College to significant risk of punitive awards.

4.16.3 to make an agreed deduction from wages with the unions or if no agreement can be reached withhold all pay, which obviously holds legal, reputational and financial risk.

4.17 If the dispute cannot be resolved and the College needs employees to start complying with their contractual obligations, some risk will need to be taken. The lowest risk approach is to reach an agreement with the union regarding the % of pay that will be deducted.

4.18 It is recommended by the legal advisors that consideration is given to opening a discussion with the union with the aim of reaching that agreement. It can be explained to the union that the College is considering, as an alternative to agreement, withholding all pay, but making an ex gratia payment of 50% pay.

4.19 It should be noted that the case law is contradictory in places and relatively sparse, so there is still clear legal/financial risk. There are also implications for staff relations. The unions, who have reserves to draw on, will also react strongly and that will result in some PR – which may or may not be viewed as adverse. However, the universities' experience also shows that it does achieve the desired aim and that most (but not all) staff will stop participating in the action fairly quickly because they will want their pay to recover to 100%.

4.20 Stike Action

4.21 The College was formally notified by EIS-FELA and UNISON of strike action on 25 August 2023. National strike action by both EIS-FELA and UNISON took place on 7 and 20 September 2023 respectively. After health and safety checks and risk assessments were completed the campus had adequate first aid and fire warden coverage in place and was safe to open.

4.22 A reminder that all college staff have been offered a £2,000 increase pay increase for Academic Year 2022/23 and a further £1,500 in 2023/24, providing a cumulative £3,500 rise across both years. For support staff this would equate to an 11% pay increase and for lecturing

staff it would be 8%. To date neither Unison nor EIS-FELA have taken this offer to members for a formal ballot.

4.23   Delivering the offer for all college staff over the two academic years would cost £51m – well above the £9.6m that was provided to colleges in 2022/23 to cover increases in staffing and non-staffing costs.

4.24   The employers pay offer has been tabled amid extremely challenging financial circumstances for colleges, including budget cuts of nearly £52m in 2022/23 and flat cash budgets going forward.

5. MINISTER FOR FURTHER AND HIGHER EDUCATION VISIT

5.1 The College was pleased to welcome Mr Graeme Dey, Minister for Further and Higher Education and Minister for Veterans to the College in on 2 August 2023 to formerly launch a mobile heat pump training facility.

5.2 Mr Dey then enjoyed a tour of the facilities and spent nearly two hours with the Principal, where topics such as dissolution, the sector reforms and funding models were discussed.

6. PARTNERSHIP WORKING

6.1 The Principal has engaged in the following activities:

- met with Mr Graeme Dey Minister for Higher and Further Education and Minister for Veterans;
- met with Joe Mulholland, His Majesty's Inspector for Education;
- attended, "Scotland Digital 2030- A Strategy for Vision and Strategy for Tertiary Education" and is now part of the group;
- attended the COVID Inquiry roundtable discussion; and
- College Principals Group meeting;

6.2 The Principal has been accepted onto the following Boards:

6.2.1   The College Development Network; and
6.2.2   Construction BE-ST

7. EQUALTIES

7.1 Should the College pursue the option of making deductions from staff pay, this could negatively impact those who do not have financially stable situations. However, students from all backgrounds, especially apprentices, are being negatively impacted and in some cases, jobs have been lost.

8. RISK

8.1 That continuing industrial action will further impact students and the financial stability of the College.

8.2 That any action the College takes regarding Action Short of Strike Action has reputational, legal and financial risks impacting on staff relations.

9. RECOMMENDATIONS

9.1 Members are recommended to:

9.1.1 note the impact of ASOS and industrial action on the students as well as on the financial health of the College.

9.1.2 agree that the College awaits the outcome of the ballot in October before moving ahead with the least risky option of agreeing a partial deduction to pay with the unions;; and

9.1.3 note that both Vice Principal roles have now been filled.

BOARD OF MANAGEMENT

DATE	26 September 2023
TITLE OF REPORT	Financial Forecast Report (FFR) 2022/23 to 2025/26
REFERENCE	09.0
AUTHOR AND CONTACT DETAILS	Keith McAllister, Head of Finance Keith.Mcallister@slc.ac.uk
PURPOSE:	To provide the Board with the projection for the academic years to 31 July 2024, 31 July 2025 and 31 July 2026 in the format required the Scottish Funding Council (the Financial Forecast Return (FFR)). The figures reflect the Budget as presented to the Board in June 2023, the first year of which was approved. This paper was presented to the Finance and Resources Committee on 30 August 2023.
KEY RECOMMENDATIONS/ DECISIONS:	Members are asked to: • Note that the FFR reflects what was presented to the Board in June 2023 in respect of the Budget 2023-24 and this paper is thus for information only. • Note the comments made and the financial and cash position at the end of the period of review.
RISKS	• The College cannot maintain financial sustainability. • There are insufficient funds for capital project and maintenance requirement; • By not presenting the FFR document to the Board, there is a failure of Corporate Governance arrangements.
RELEVANT STRATEGIC AIM:	• Successful Students • The Highest Quality Education and Support • Sustainable Behaviours

SUMMARY OF REPORT:	The FFR for the College paints a bleak picture against the backdrop of a reduction in committed funding from the Scottish Funding Council and the pressure placed on cashflow across the Scottish college sector over the forthcoming period. With funding cuts and activity target reductions, the College is forecasting deficits for the next 3 years: 2023-24: £761k deficit 2024-25: £1,904k deficit 2025-26: £2,443k deficit
	Similarly, the College foresees substantial reduction to its cash position: 2023-24: £2,249k 2024-25: £957k 2025-26: £(866k) overdrawn. It is worth noting that even when assuming a 3% salary award for 2022/23, the College will be required to drawdown significantly on its cash reserves and this will seriously impact investment and operation going forward if no further action is taken to enforce savings. Members should also note that SFC has instructed the sector to assume no increase in recurrent grant in aid over the period covered by the Return. No indication has been given as to how this will be achieved to allow the sector to deal with this should it not be affected by a further decrease in activity targets. Members will be aware that South Lanarkshire College achieves its activity target each year and the decrease in target is, by extension, reducing what the College can offer to potential students; further decreases in activity would be extremely detrimental to both staff and the local community.

1. INTRODUCTION

This paper provides an overview of the Financial Forecast Report (FFR) as produced for the Scottish Funding Council, containing 3 annual forecasts from 2023-2026.

2 BACKGROUND

The Board approved a draft deficit budget for 2023-24 as the most realistic assumption for the College but instructed College management to actively seek further savings in year and present a

plan to reduce the deficit budget for 2024-25. Nevertheless, the FFR for 2024-25 and 2025-26 assume that SFC capital grants will be at 2023/24 levels and, importantly, recurrent grant in aid will not increase in cash terms. Similarly, with pressures on staff costs because of national bargaining exercises that are still pending, it is unrealistic to present anything other than further deficits based on current staffing levels. The Principal has requested time to review the best structure for the College before making any future decisions that might impact on College operations. The FFR presented is deemed to be the most accurate reflection of the College's future financial affairs should there be no course of action taken to remedy it.

3 DISCUSSION

The FFR contains more detailed projections for income and expenditure for 2023-24, with a Statement of Changes in Equity (SOCIE) and Balance Sheet for an additional two years to 2026.

2023-24 income will reduce due to HE activity and fee decreases and a reduction in grant in aid. These reductions are also expected to impact on the subsequent two years. In 2023-24 expenditure, where possible, has been shown as a 10% cut on actual spend to mirror the activity target cuts. However, known, overhead increases have been built in where required as a result of higher material, utility prices as a result of the cost-of-living crisis. Furthermore, the base 10% reduction in expenditure cannot be applied to staff costs which will be negatively impacted by on-going national bargaining efforts which are likely to erode cash reserves once fully settled.

For more information on variances presented within the FFR, please refer to the report attached.

4 EQUALITIES

There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

5 RISK AND ASSURANCE

This is on the front cover as well, so suggest retaining if further detail is required.

6 RECOMMENDATIONS

Members are recommended to:

- Note the contents of this report and its attachments.
- Note that the budgets shown on the FFR for the latter two years of the projection were not approved by the Board.

Financial Forecast Return June 2023

College	South Lanarkshire College
Contact	Elaine McKechnie
Telephone	0135580 7346
Email:	elaine.mckechnie@slc.ac.uk

DECLARATION: The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2022-23 to 2025-26. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.

Signed: Stella McManus

Principal/Chief Executive Officer

Date: 01-Aug-23

South Lanarkshire College

	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26

	ANNUAL STAFFING EFFICIENCIES (savings reflected in FFR)	FTE	FTE	FTE	FTE
1	FTE Staff reduction - vacancy management	2	2	0	0
	FTE Staff reduction - voluntary severance (related restructuring costs to be set out in section 2 below)	0	0	0	0
	FTE Staff reduction - compulsory redundancy (redundancy costs to be set out in section 2 below)	0	0	0	0
	Staff reduction - total	2	2	0	0

		£000	£000	£000	£000
2	Voluntary severance costs	0	0	0	0
	Compulsory redundancy costs	0	0	0	0
	Total	0	0	0	0
	CHECK - Staff restructuring costs per SOCIE	0	0	0	0

3	**NON-STAFF COST EFFICIENCIES (savings reflected in FFR)**	0	185	185	185

4 **Please provide further details in the boxes below.**

4a Staffing reductions - impact on curriculum and mitigating actions:

The College intends to deliver its credit targets in full albeit incorporating the reduction in funded provision of 11% that has been imposed for 2023/24. This reduction will be effected through changes made via the recent review of the curriculum. The intention will be to mamise class sizes within a reduced number of courses to maximise efficiency.

A new budgeting and deployment model has been introduced with the target being to retain all permanent staff in 2023/24, redeploying where at all possible, and reducing the temporary lecturing accordingly. Additionally, the need to replace any posts being vacated through natural wastage will be fully considered before any decision is made to fill the vacancy. The default position will be not to fill the position.

Whilst there is no plan for the introduction of a VS scheme in 2023/24, this will be reviewed prior to the setting of the 2024/25 budget in light of the financial position at March / April 2024. This is a position which the Board of Management is comfortable with.

4b

Other mitigating actions: Note that the explanatory section extends below the box as it appears here.

As per the draft budget June Board paper the following was considered and approved:

The scenarios below demonstrate the impact of the potential pay increases and settlements above the budgeted 3%. (Note that the job evaluation exercise for all support staff has not been completed and no further accrual of costs to be borne by the College in this regard have been incorporated into the 2023/24 forecast.)

Scenario Planning

(a)   3.0% at 1 Sep 2022 and 3.0% at 1 Sep 2023   Recurrent
Salary costs   £13,507k   Deficit £761k

(b)   5.0% at 1 Sep 2022 and 5.0% at 1 Sep 2023
        Recurrent Salary costs   £14,086k   Deficit £1,340

Pension Assumptions / Employer Contributions	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2022-23 Details of Methodology and Valuation	2023-24 Details of Methodology and Valuation	2024-25 Details of Methodology and Valuation	2025-26 Details of Methodology and Valuation
STSS	1,464	1,435	1,542	1,596	As paid.	Assuming no increase in contribution rates.	Assuming no increase in contribution rates.	Assuming no increase in contribution rates.
SPF	650	621	668	691	As paid.	Assuming no increase in contribution rates.	Assuming no increase in contribution rates.	Assuming no increase in contribution rates.
Other pension schemes - please state which scheme	N/A							
Other pension schemes - please state which scheme	N/A							
Total		2,114	2,056	2,210	2,287			

South Lanarkshire College

Statement of Comprehensive income and expenditure (Consolidated)	Actual 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	2021-22 - 2022-23 %	2022-23 - 2023-24 %	2023-24 - 2024-25 %	2024-25 - 26 %	Explanation for variance 2025-
INCOME										
Tuition fees and education contracts	3,319	2,871	2,510	2,616	2,635	-13.5%	-12.6%	4.2%	0.7%	HE activity & fees decreasing in 22/23 and 23/24
Funding council/RSB grants	15,578	15,471	15,461	15,284	15,284	-0.7%	-0.1%	-1.1%	0.0%	Assumption that SFC capital grants will be at 2023/24 levels and recurrent grant in aid will not increase in cash terms.
	0		0	0	0	61.4% - 100.0%	31.5%	-25.0%	4.0%	Includes ALF income in 2024/25 and 2025/26 (exp. Conta under "other operating expenses2)
Research grants and contracts			0							
Other income	236	381	501	376	391					
Investment income	1	0	0	0	0					
Total income before donations and endowments	**19,134**	**18,723**	**18,472**	**18,276**	**18,310**	-2.1%	-1.3%	-1.1%	0.2%	
Donations and endowments	0	0	0	0	0					
Total income	**19,134**	**18,723**	**18,472**	**18,276**	**18,310**	-2.1%	-1.3%	-1.1%	0.2%	
EXPENDITURE										
Staff costs	14,725	14,102	13,714	14,740	15,250	-4.2%	-2.8%	7.5%	3.5%	2024/25 - compound impact of salary awards and job evaluation settlement
Staff costs - exceptional restructuring costs	0	0	0	0	0					
Exceptional costs - non-staff	0	0	0	0	0					
Other operating expenses	3,705	3,696	4,091	4,012	4,075	-0.2%	10.7%	-1.9%	1.6%	College is mantaining a strategic investment fund which will be expended in 2023/24 to support sustainability initiatives.
Donation to Arms Length Foundation	500	0	0	0	0	-100.0%				Unlikely to be further donations to the Foundation.
Depreciation	1,306	1,428	1,428	1,428	1,428	9.3%	0.0%	0.0%	0.0%	
Interest and other finance costs	102	0	0	0	0	-100.0%				
Total expenditure	**20,338**	**19,226**	**19,233**		**20,753**	-5.5%	0.0%	4.9%	2.8%	

	Actual	(503)	(761)	(1,904)	(2,443)				
Surplus/(deficit) before other gains and losses and share of operating			(761)	(1,904)	(2,443)				
	(1,204)	(503)							
surplus/deficit of joint ventures and associates						-58.2%	51.3%	150.2%	28.3%
Gain/(loss) on disposal of fixed assets	0	0	0	0	0				
Gain/(loss) on investments	0	0	0	0	0				
Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0				
Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0				
Surplus/(deficit) before tax	(1,204)	(503)	(761)	(1,904)	(2,443)	-58.2%	51.3%	150.2%	28.3%
Other taxation	0	0	0	0	0				
Surplus/(deficit) for the year	(1,204)	(503)	(761)	(1,904)	(2,443)	-58.2%	51.3%	150.2%	28.3%
Unrealised surplus on revaluation of land and buildings	0	0	0	0	0				
Actuarial (loss)/gain in respect of pension schemes									
Other comprehensive income	0	0	0	0	0				
	0	0	0	0	0				
Total comprehensive income for the year	(1,204)	(503)	(761)	(1,904)	(2,443)	-58.2%	51.3%	150.2%	28.3%

				Actual 2021-22	Forecast 2022-23	Forecast 2023-24	2021-22 - 2022-23	2022-23- 2023-24	Explanation for variance
South Lanarkshire College									
INCOME				£000	£000	£000	%	%	
1	Tuition fees and education contracts								
		a)	FE - UK	1,580	1,600	1,164	1%	(27%)	
		b)	FE - EU	0	0	0			

		c)	HE	1,039	970	903	(7%)	(7%)	Decrease in HE activity and related fees
		d)	Non-EU	16	0	0	(100%)		
		e)	SDS contracts	484	301	443	(38%)	47%	
		f)	Education contracts	0	0	0			
		g)	Other	200	0	0	(100%)		
	Total tuition fees and education contracts			**3,319**	**2,871**	**2,510**	(13%)	(13%)	
2	SFC / RSB Grants								
		a)	SFC / RSB FE recurrent grant (including fee waiver)	14,152	13,920	13,724	(2%)	(1%)	Reduction in funded activity resulting in decreased part time lecturing costs
		b)	UHI recurrent grant - HE provision	0	0	0			
		c)	FE Childcare funds	393	0	0	(100%)		
		d)	Release of SFC / RSB deferred capital grants	677	690	690	2%	0%	
		e)	SFC capital grant	356	433	870	22%	101%	2023/24 as per recurrent allocation.
		f)	SFC grant for NPD	0	0	0			
		g)	Other SFC / RSB grants - FE provision	0	428	177		(59%)	Job evaluation excluded
		h)	Other UHI grants - HE provision	0	0	0			
	Total SFC / RSB Grants			**15,578**	**15,471**	**15,461**	(1%)	(0%)	
3	Research grants and contracts								
		a)	European Commission	0	0	0			
		b)	Other grants and contracts	0	0	0			

Total research grants and contracts			**0**	**0**	**0**		
4	Other Income						
		a)	Catering and residences	0	0	15	
		b)	Other European Income	0	0	0	
		c)	Other income generating activities	0	0	0	
		d)	Grants from ALF	0	3	156		5100%
			i) Revenue	0	3	156		5100%
			II) Capital	0	0	0	
		e)	Non-government capital grant	0	0	0	
		f)	Other grant income	0	206	158		(23%)
		g)	Release of non-SFC government deferred capital grant	99	118	118	19%	0%
		h)	Income from Coronavirus Job Retention Scheme	5	0	0	(100%)	
		i)	Other income	132	54	54	(59%)	0%
	Total other income			**236**	**381**	**501**	61%	31%
5	Investment income						
		a)	Investment income on endowments	0	0	0	
		b)	Investment income on restricted reserves	0	0	0	
		c)	Other investment income	0	0	0	

				Actual		Forecast	Forecast				
	d)	Other interest receivable		1		0	0	(100%)			
Total investment income	e)	Net return on pension scheme		0							
				1		0	0	(100%)			
6 Donations and endowment income											
	a)	New endowments		0		0	0				
	b)	Donations with restrictions		0		0	0				
	c)	Unrestricted donations		0		0	0				
Total donation and endowment income				0		0	0				

South Lanarkshire College									
EXPENDITURE									
			Actual 2021-22		Forecast 2022-23	Forecast 2023-24	2021-22 - 2022-23	2022-23- 2023-24	**Explanation for variance**
STAFF COSTS			£000		£000	£000	%	%	
1 Teaching departments			8,093		8,255	8,116	2%	(2%)	Reduction in activity & staffing requirement in 2023/24
2 Teaching support services			2,072		2,113	2,057	2%	(3%)	Reduction in activity & staffing requirement in 2023/24
3 Other support services			254		259	355	2%	37%	Reallocation of depts in 2022/23

#	Category	Subcategory	Col1	Col2	Col3	%	%	Notes					
4	Administration and central services		2,305	2,351	2,133	2%	(9%)	Reallocation of depts in 2022/23					
5	Premises		838	855	846	2%	(1%)						
6	Catering and residences		0	0	0								
7	Other income generating activities		0	0	0								
8	Other staff costs		0	269	207		(23%)	Contra of job evaluation grant					
9	Impact of FRS 102 pensions reported (less contributions paid included above) **Normal staff costs**		1,163 **14,725**	14,102	13,714								
						(4%)	(3%)						
10	Exceptional restructuring costs **Total staff costs**		0 **14,725**	0 **14,102**	0 **13,714**								
						(4%)	(3%)						
	Additional breakdown of staff costs												
								Management of staff numbers in light of salary awards and increased utilisation monitoring.					
		Salaries	10,501	10,919	10,619	4%	(3%)						
		Social security costs	1,028	1,069	1,040	4%	(3%)						
		Pension contributions	2,033	2,114	2,056	4%	(3%)						
		Non-cash pension adjustments - net service cost	1,163										
		Non-cash pension adjustments - early retirement provision	0										
		Severance payments	0	0	0								
		Total staff costs	14,725	14,102	13,714	(4%)	(3%)						

NON-STAFF COSTS

1	**Exceptional costs - non-staff**			0	0	0			
2	**Other operating expenses**	a)	Teaching departments	788	775	889	(2%)	15%	
		b)	Teaching support services	325	400	481	23%	20%	
		c)	Other support services	0	3	156		5100%	Support from ALF
		d)	Administration and central services	977	1,150	1,100	18%	(4%)	
		e)	General education	0	0	0			
		f)	Premises	1,039	1,190	1,280	15%	8%	
		(i)	Maintenance	519	470	560	(9%)	19%	
		(ii)	Utilities	342	450	450	32%	0%	
		(iii)	Other	178	270	270	52%	0%	
		g)	Catering and residences	0	0	0			
		h)	Other income generating activities	0	0	0			
		i)	Overspend on student support funds *	0	0	0			
		j)	Planned maintenance	0	0	0			
		k)	Movement on early retirement pension provision	(12)	0	0	(100%)		
		l)	NPD	0	0	0			

	m)	Other	588	178	185	(70%)	4%	Excludes FE Childcare					
Total other operating expenses			3,705	3,696	4,091	(0%)	11%						
3 **Depreciation**	a)	Government funded assets	799	828	828	4%	0%						
	b)	Non-government funded assets	507	600	600	18%	0%						
	c)	NPD funded assets	0	0	0								
Total depreciation			1,306	1,428	1,428	9%	0%						
4 **Interest**	a)	On bank loans, overdrafts and other loans	1	0	0	(100%)							
	b)	Finance lease interest	0	0	0								
	c)	Other	0	0	0								
	d)	Net charge on pension scheme	101			(100%)							
Total interest	e)	NPD interest	0	0	0								
			102	0	0								
						(100%)							

* Includes any overspend on bursaries, discretionary funds, and student funds received from SAAS, but excludes childcare funds.

South Lanarkshire College									

ADJUSTED OPERATING RESULT	Actual 2021-22		Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26		2021-22 - 2022-23	2022-23- 2023-24	2023-24 - 2024-25	2024-25 - 2025-26	Explanation for variance
	£000		£000	£000	£000	£000		%	%	%	%	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(1,204)		(503)	(761)	(1,904)	(2,443)						
Add:												
Total depreciation (Government-funded, privately funded and NPDfunded assets) net of deferred capital grant release *(incorporated colleges only)*	530		620	620	808	808		17.0%	0.0%	30.3%	0.0%	
Exceptional non-restructuring items (e.g. impairment costs)	0		0	0	0	0						
Donation to Arms-Length Foundation (incorporated colleges only)	500		0	0	0	0		-100.0%				
Non-cash pension adjustment - net service cost	1,163											
Non-cash pension adjustment - ERP	(12)											
Non-cash pension adjustment -net interest costs	101											
Deduct:												
Non-Government capital grants (e.g. ALF capital grant)	0		0	0	0	0						
Exceptional income (if disclosed as exceptional in accounts)	0		0	0	0	0						
CBP allocated to loan repayments and other capital items *(incorporated colleges only)*	0		0	0	0	0						
NPD payments to reduce NPD balance sheet debt	0		0	0	0	0						

Adjusted operating result	**1,078**	**117**	**(141)**	**(1,096)**	**(1,635)**		-89.1%	-220.5%	677.3%	49.2%
Cash budget for priorities *(incorporated colleges)* :										
Revenue priorities										
Student support funding	0	0	0	0	0					
2015-16 pay award	0	0	0	0	0					
Voluntary severance	0	0	0	0	0					
Estates costs	197	0	0	0	0					
Other - please describe	0	0	0	0	0					
Total impact on operating position	**197**	**0**	**0**	**0**	**0**					
Capital priorities										
Loan repayments	0	0	0	0	0					
NPD / PFI repayments	0	0	0	0	0					
Estates costs	0	0	0	0	0					
Provisions pre 1 April 2014	0	0	0	0	0					

Total capital	0	0	0	0	0					
Total cash budget for priorities spend	**197**	**0**	**0**	**0**	**0**					

South Lanarkshire College

Balance Sheet		Actual 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	2021-22 - 2022-23	2022-23- 2023-24	2023-24 - 2024-25	2024-25 - 2025-26	Explanation for variance
		£000	£000	£000	£000	£000	%	%	%	%	
	a) Intangible assets	0	0	0	0	0					
	b) Fixed assets	50,969	50,409	49,531	48,303	47,075	-1.1%	-1.7%	-2.5%	-2.5%	
1 Non-current assets	c) Investments	0	0	0	0	0					
Total non-current assets		50,969	50,409	49,531	48,303	47,075	-1.1%	-1.7%	-2.5%	-2.5%	
2 Current assets	a) Stock	8	8	8	8	8	0.0% -	0.0%	0.0%	0.0%	
	b) Debtors	1,932	1,632	732	732	732	15.5%	-55.1%	0.0% -	0.0%	
	c) Investments	0	0	0	0	0			57.4%		
	d) Cash and cash equivalents	3,628	3,100	2,249	957	-866	-14.6%	-27.5%		-190.5%	**Please note that within the cash balance for 22/23 there are committed funds totalling £1.0m.**
	e) Other (e.g. assets for resale)	0	0	0	0	0					
Total current assets		5,568	4,740	2,989	1,697	(126)	-14.9%	-36.9%	-43.2%	-107.4%	
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	0	0	0	0					
	b) Bank overdrafts	0	0	0	0	0					
	c) Lennartz creditor	0	0	0	0	0					
	d) Obligations under finance leases and service concessions	0	0	0	0	0					
	e) Payments received in advance	0	0	0	0	0					
	f) Amounts owed to SFC	151	300	300	300	300	98.7%	0.0%	0.0%	0.0%	
	g) Obligations under PFI/NPD	0	0	0	0	0					
	h) Deferred capital grant	759	959	841	841	841					
	i) Other creditors and accruals	2,363	1,929	1,079	1,263	1,455	-18.4%	-44.1%	17.1%	15.2%	
Total creditors < 1year		3,273	3,188	2,220	2,404	2,596	-2.6%	-30.4%	8.3%	8.0%	
Share of net assets/(liabilities) in associate		0	0	0	0	0					
NET CURRENT ASSETS/LIABILITIES		2,295	1,552	769	(707) (2,722)	44,353	-32.4% - 2.4%	-50.5% - 3.2%	-191.9% -5.4%	285.0% - 6.8%	
TOTAL ASSETS LESS CURRENT LIABILITIES		53,264	51,961	50,300							
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0	0	0					
		0	0	0	0	0					

	b) Bank loans and external borrowing	0	0	0	0	0				
	c) Lennartz creditor	0	0	0	0	0				
	d) Finance leases and service concessions	0	0	0	0	0				
	e) Obligations under PFI/NPD	22,900	22,100	21,200	20,400	19,600				
	f) Deferred capital grant	0	0	0	0	0				
	g) Amounts repayable to Funding Council	0	0	0	0	0				
	h) Other creditors									
Total creditors >1 year		**22,900**	**22,100**	**21,200**	**20,400**	**19,600**	-3.5%	-4.1%	-3.8%	-3.9%
5 Provisions	a) Pension provisions	-1,991	-1,991	-1,991	-1,991	-1,991	0.0%	0.0%	0.0%	0.0%
	b) Other	0	0	0	0	0				
Total provisions		**(1,991)**	**(1,991)**	**(1,991)**	**(1,991)**	**(1,991)**	0.0%	0.0%	0.0%	0.0%
		32,355	**31,852**	**31,091**		**26,744**				
TOTAL NET ASSETS							-1.6%	-2.4%	-6.1%	-8.4%
9 Restricted Reserves	a) Endowment Reserve	0	0	0	0	0				
	b) Restricted Reserve									
10 Unrestricted reserves	a) Income and Expenditure Reserve	0	0	0	0	0				
	b) Revaluation reserve									
		8,111	7,608	6,847	4,943	2,500	-6.2%	-10.0%	-27.8%	-49.4%
							0.0%	0.0%	0.0%	0.0% A revaluation will take place over the period of review.
		24,244	24,244	24,244	24,244	24,244				
		0	0	0	0	0				
11 Non-controlling interest										
TOTAL RESERVES		**32,355**					-1.6%	-2.4%	-6.1%	-8.4%
			31,852		**31,091**	**29,187**	**26,744**			

South Lanarkshire College

Liquidity Analysis

		Actual	Forecast	Forecast	Forecast	Forecast	2021-22 -	2022-23-	2023-24 -	2024-25 -
		2021-22	2022-23	2023-24	2024-25	2025-26	2022-23	2023-24	2024-25	2025-26
		£000	£000	£000	£000	£000	%	%	%	%

1 Current assets a) Stock 0.0% 0.0% 0.0% 0.0% b) Debtors -15.5% -55.1%

	8	8	8	8	0.0%	0.0% c) Investments

d) Cash and cash equivalents -14.6% -27.5% -57.4% -190.5%

2,989 1,697 (126) -14.9% -36.9% -43.2% -107.4%

		Actual	Forecast	Forecast	Forecast	Forecast	%	%	%	%
1 Current assets		8	8	8	8	8	0.0%		0.0%	
		1,932	1,632	732	732	732		**Total current assets**	**5,568**	**4,740**
		0	0	0	0	0				
		3,628	3,100	2,249	957	-866				
2 Creditors: amounts falling due within one year excl	a) Bank loans and external borrowing	0	0	0	0	0				
Deferred Capital Grants	b) Bank overdrafts	0	0	0	0	0				
	c) Lennartz creditor	0	0	0	0	0				
	d) Obligations under finance leases and service concessions	0	0	0	0	0				
	e) Payments received in advance	0	0	0	0	0				
	f) Amounts owed to SFC	0	0	0	0	0				
	g) Obligations under PFI/NPD (unfunded only)	151	300	300	300	300	98.7%	0.0%	0.0%	0.0%
		0	0	0	0	0				
	h) Other creditors and accruals	2,363	1,929	1,079	1,263	1,455	-18.4%	-44.1%	17.1%	15.2%
Total creditors < 1year excl Deferred Capital Grants		**2,514**	**2,229**	**1,379**	**1,563**	**1,755**	**-11.3%**	**-38.1%**	**13.3%**	**12.3%**
Liquidity position (baseline cash)		**3,054**	**2,511**	**1,610**	**134**	**(1,881)**	**-17.8%**	**-35.9%**	**-91.7%**	**-1503.7%**
Liquidity ratio		**2.21**	**2**	**2**	**1**	**(0)**				

ADDITIONAL INFORMATION

	Actual	Forecast	Forecast	Forecast	Forecast	%	%	%	%
Longer Term Obligations under PFI / NPD (Unfunded Only)	0	0	0	0	0				
Other Longer Term Liabilities in Balance Sheet resulting in cash outflows	0	0	0	0	0				
Other Cash Commitments not included in Balance Sheet	0	0	0	0	0				
Liquidity position less Longer Term Cash Liabilities/Commitments	**3,054**	**2,511**	**1,610**	**134**	**(1,881)**	**-17.8%**	**-35.9%**	**-91.7%**	**-1503.7%**

South Lanarkshire College

		Actual 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	2021-22 - 2022-23	2022-23- 2023-24	2023-24 - 2024-25	2024-25 - 2025-26
Cashflow		£000	£000	£000	£000	£000	%	%	%	%
1	**Cash flow from operating activities**									
a)	Surplus / (deficit) for the year	-1204	-503	-761	-1904	-2443	(58%)	51%	150%	28%
2	**Adjustment for non-cash items**									
a)	Depreciation	1,306	1,428	1,428	1,428	1,428	9%	0%	0%	0%
b)	Amortisation of intangibles	0	0	0	0	0				
c)	Benefit on acquisition	0	0	0	0	0				
d)	Amortisation of goodwill	0	0	0	0	0				
e)	Loss / (gain) on investments	0	0	0	0	0				
f)	Decrease / (increase) in stock	0	0	0	0	0				
g)	Decrease / (increase) in debtors	(220)	300	900	0	0	(236%)	200%	(100%)	
h)	Increase / (decrease) in creditors	(172)	(285)	(850)	184	192	66%	198%	(122%)	4%
i)	Increase / (decrease) in pension provision	1,163	0	0	0	0	(100%)			
j)	Increase / (decrease in other provisions	(32)	0	0	0	0	(100%)			

k)	Receipt of donated equipment	0		0	0	0	0				
l)	Share of operating surplus / (deficit) in joint venture	0		0	0	0	0				
m)	Share of operating surplus / (deficit) in associate	0		0	0	0	0				
n)	Other	(686)		(600)	(1,018)	(800)	(800)	(13%)	70%	(21%)	0%
	Total adjustment for non-cash items	1,359		843	460	812	820	(38%)	(45%)	77%	1%
3	**Adjustment for investing or financing activities**										
a)	Investment income	0		0	0	0	0				
b)	Interest payable	(1)		0	0	0	0	(100%)			
c)	Endowment income	0		0	0	0	0				
d)	Loss / (gain) on the sale of assets	0		0	0	0	0				
e)	Capital grant income	872		0	0	0	0	(100%)			
	Total adjustment for investing or financing activities	871		0	0	0	0	(100%)			
4	**Net cash inflow from operating activities**	1,026		340	(301)	(1,092)	(1,623)	(67%)	(189%)	263%	49%
5	**Cash flow from investing activities**										
a)	Proceeds from sales of fixed assets	0		0	0	0	0				
b)	Proceeds from sales of intangible assets	0		0	0	0	0				
c)	Capital grants receipts	0		0	0	0	0				

d)	Disposal of non-current asset investments		0		0	0	0	0				
e)	Withdrawal of deposits		0		0	0	0	0				
f)	Investment income		1		0	0	0	0	(100%)			
g)	Payments made to acquire fixed assets		(871)		(868)	(550)	(200)	(200)	(0%)	(37%)	(64%)	0%
h)	Payments made to acquire intangible assets		0		0	0	0	0				
i)	New non-current asset investments		0		0	0	0	0				
j)	New deposits		0		0	0	0	0				
	Total cash flows from investing activities		(870)		(868)	(550)	(200)	(200)	(0%)	(37%)	(64%)	0%
6	Cash flows from financing activities											
a)	Interest paid		(1)		0	0	0	0	(100%)			
b)	Interest element of finance lease and service concession		0		0	0	0	0				
c)	Endowment cash received		0		0	0	0	0				
d)	New secured loans		0		0	0	0	0				
e)	New unsecured loans		0		0	0	0	0				
f)	Repayments of amounts borrowed		0		0	0	0	0				
g)	Capital element of finance lease and service concession payments		0		0	0	0	0				
	Total cash flows from financing activities		(1)		0	0	0	0	(100%)			

7	**(Decrease) / increase in cash and cash equivalents in the year**	155	(528)	(851)	(1,292)	(1,823)	(441%)	61%	52%	41%
8	Cash and cash equivalents at beginning of the year	3,473	3,628	3,100	2,249	957	4%	(15%)	(27%)	(57%)
9	Cash and cash equivalents at the end of the year	3,628	3,100	2,249	957	(866)	(15%)	(27%)	(57%)	(190%)
	Check	155	(528)	(851)	(1,292)	(1,823)				

South Lanarkshire College

Capital Expenditure Projects and Forecast Methods of Financing

	Actual 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	2021-22 - 2022-23 %	2022-23-2023-24 %	2023-24 - 2024-25 %	2024-25 - 2025-26 %
Expenditure:									
Land & Buildings	698	293	0	0	0	-58.0%	-100.0% -		
		575	550	200	200	232.4%	4.3%		
Equipment & Others	173							-63.6%	0.0%
	871	868	550	200	200	-0.3%	-36.6%	-63.6%	0.0%
Financed by:									
Cash reserves	0	509	0	0	0	-79.1%	-100.0%		0.0%
ALF grants	0	0	0	0	0				
Leasing	0	0	0	0	0				
SFC/RSB grant	871	182	200	200	200		9.9%		
		0	0	0	0		97.7%		
Re-investment of proceeds from disposal of assets *	0								
Non-SFC/RSB grants	0	177	350	0	0		0.0%		
PFI/NPD	0	0	0	0	0				
Other - please specify if material	0	0	0	0	0		-100.0%		

| | 871 | 868 | 550 | 200 | 200 | -0.3% | -36.6% | -63.6% | 0.0% |

	Actual 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000
Capital disposals					
Disposal proceeds:					
Asset description	0	0	0	0	0
		0	0	0	0
Asset description	0				
Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
	0	0	0	0	0
Gain/(loss) on disposal:					
Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
					0 0
		0	0	0	

South Lanarkshire College

ALF Funding

	Actual 202122 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000

		Actual 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26
Estimated balance of cash in ALF as at 1 August	0	500	497	341	325	
Donation to Arms Length Foundation	500					
Grant from Arms Length Foundation - capital Grant from Arms Length Foundation - revenue	0 / 0	0	0	0	0	
		0	0	0	0	
		(3)	(156)	(16)	(16)	
Estimated balance of cash in ALF as at 31 July	**500**	**497**	**341**	**325**	**309**	

Note:

For most foundations, the most recent accounts available are for periods ending in 2022. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

	Actual 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26
	£000	£000	£000	£000	£000
Grant from Arms Length Foundation - capital:					
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Total	0				0
	0	0	0	0	0
Grant from Arms Length Foundation - revenue					
Student welfare	0	3	10	0	0
Student counselling support	0	0	133	0	0
Student core skills					
Description	0	0	13	16	16
Description	0	0	0	0	0
Description	0	0	0	0	0
Total	0				6
	0	0	0	0	0

South Lanarkshire College

Actual 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26

FINANCIAL SUMMARY

	£000	£000	£000	£000	£000
Income ratios					
Total Income	19,134	18,723	18,472	18,276	18,310
Total Funding Council Grant as % of Total Income	81%	83%	84%	84%	83%
Total non-Funding Council Grant as % of Total Income	19%	17%	16%	16%	17%
Total Education Contracts and Tuition Fees as % of Total Income	17%	15%	14%	14%	14%
Total Research Grants and Contracts as % of Total Income	0%	0%	0%	0%	0%
Total Other Income as % of Total Income	1%	2%	3%	2%	2%
Expenditure ratios					
Total Expenditure	20,338	19,226	19,233	20,180	20,753
Salaries as % of Total Expenditure	72%	73%	71%	73%	73%
Other operating costs as % of Total Expenditure	18%	19%	21%	20%	20%
Depreciation/amortisation as % of Total Expenditure	6%	7%	7%	7%	7%
Operating position					
Operating Surplus/(deficit)	(1,204)	(503)	(761)	(1,904)	(2,443)
Operating Surplus/(deficit) as % of Total Income	-6%	-3%	-4%	-10%	-13%
Adjusted operating surplus/(deficit)	1,078	117	-141	-1,096	-1,635
Adjusted operating surplus/(deficit) as % of Total Income	5.6%	0.6%	-0.8%	-6.0%	-8.9%
Cash Position					
Cash and Current Asset Investments	3,628	3,100	2,249	957	-866
Overdrafts	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	70	64	46	19	-16
Net cash inflow/(outflow) from operating activities	1,026	340	-301	-1,092	-1,623
Net cash inflow/(outflow) from operating activities as % of Total Income	5.4%	1.8%	-1.6%	-6.0%	-8.9%
B lance Sheet strength					
Unrestricted reserves	8,111	7,608	6,847	4,943	2,500
Liquidity ratio	2.21	2.13	2.17	1.09	-0.07
Unrestricted reserves as % of Total Income	42%	41%	37%	27%	14%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	0	0	0	0	0
Interest cover	-10.80	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

BOARD OF MANAGEMENT

DATE	26 September 2023
TITLE OF REPORT	Principal's Update
REFERENCE	10
AUTHOR AND CONTACT DETAILS	Stella McManus Stella.mcmanus@slc.ac.uk
PURPOSE:	To provide an overview of the development day held on 22 August 2023 and next steps.
KEY RECOMMENDATIONS/ DECISIONS:	Members are recommended to: • comment and provide feedback on the draft strategic priorities; and • agree that staff focus groups are consulted on the draft strategic priorities.
RISK	• That the College strategy does not meet the needs of the communities the College serves leading to a lack of strategic direction and sustainability
RELEVANT STRATEGIC AIM:	• Successful Students • Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	• This report seeks to collate the discussions from the Board Development Day held in August 2023. • All groups identified that dissolution was a priority but recognised the need to continue to collaborate with New College Lanarkshire. • Financial challenges were recognised and as such the College business model needs to change, through being more commercially minded. This also means having a business development approach which provides a clear full cost course offer. • Work on staff culture and rewarding and recognising staff whilst changing mindsets regarding what a new business model will look like is key. • The findings can be grouped into the following draft themes of Student Experience, People and Culture, Growth and Innovation and Sustainability. • It is proposed that should members be content with these themes, then wider consultation with staff and

	stakeholders will begin.

1. INTRODUCTION

1.1 The purpose of this report is to provide members with the collated information from the development day held on 22 August 2023 and to outline the next steps in creating the College's new strategic aims.

2. BACKGROUND

2.1 The current Strategic Plan for South Lanarkshire College covers the period 20202025, however, much has changed for sector in that time including the COVID pandemic, sector reforms and funding challenges. All of these mean that the College has to consider changes to its strategic direction to ensure that it remains a sustainable institution and continues to meet the needs of the communities it serves.

2.2 At the June 2023 Board of Management meeting, members received a presentation from SQW, the research company commissioned to undertake labour market intelligence on behalf of the College. This was then summarised into a paper to help provide board members with the labour market intelligence needed to start to think about the strategic direction of the College.

3. DEVELOPMENT DAY: STRATEGY TASK AND FINDINGS

3.1 At the Development Day in August, Board members worked in groups to consider the "strategy on a page" task, the findings from these groups have been collated in Annex A.

3.2 All groups agreed that dissolution was a priority, and it was necessary to set out South Lanarkshire College's identity as a standalone college. However, the importance of collaboration with New College Lanarkshire was recognised, as well as continuing to refine the College's collaboration with industry partners and local authorities.

3.3 Groups recognised that the College offered an excellent student experience by providing a high-quality learning and teaching environment, which meets industry standards. There were also clear curriculum strategic priorities emerging such as construction and the built environment with a focus on the decarbonisation agenda and health and social care.

3.4 The financial challenges were clearly identified such as flat cash and sector cuts, and groups discussed how the business model of the College needs to change to reduce the reliance on funding council income. Other suggestions included the need to use the estate differently, through renting out facilities and making use of it more during holiday periods or changing the layout of the building.

3.5 While it was noted that parts of the curriculum had changed, further work around developing an online offer and shorter, sharper courses is needed, with a full cost offer being developed, through a business development approach. This would then mean working with staff to change mindsets about what the "norm" looks like within

the college sector or the need to look at different staffing models when College staff are fully utilised. This would need to feed into further work on the staff culture, rewarding staff and identifying talent to support succession planning.

3.6 There are clear opportunities that the College has not yet exploited, and there is the need to continue to undertake a digital transformation to fully ensure that the College can continue to offer a 21st century learning experience.

4. DRAFT PRIORITIES

4.1 The points noted above and in Annex A could be collated into the following key themes:

4.1.1 Student Experience: To provide a responsive, entrepreneurial, destination focussed curriculum and lifelong learning opportunities for the communities the College serves.

4.1.2 People and Culture: To recruit, retain, develop and reward talented staff who will enable students to reach their full potential.

4.1.3 Growth and Innovation: To be a future proofed independent and financially viable organisation able to invest and collaborate for growth and resilience.

4.1.4 Sustainability: To work towards achieving a Net Zero campus and providing an estate and infrastructure for 21st century learning.

5. NEXT STEPS

5.1 Following on from Board members feedback, it is suggested the College meets with staff focus groups from October 2023 to seek their input and refinement to the draft priorities, as well as other key stakeholders, reporting back to the Board with the findings in January 2024.

6. EQUALTIES

7.1 There are no new issues for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

7. RISK

8.1 That the College strategy does not meet the needs of the communities the College serves leading to a lack of strategic direction and sustainability.

8. RECOMMENDATIONS

9.1 Members are recommended to:

9.1.1 comment and provide feedback on the draft strategic priorities; and

9.1.2 agree that staff focus groups and other stakeholders are consulted on the draft strategic priorities.

ANNEX A: COLLATED FINDINGS FROM GROUPS

Purpose Panel
Purpose: What is our purpose? (Mission Statement) *Ambition: What is our ambition? (Vision Statement)*

Customer Panel	Finance Panel	Competition and Risks

| Target Market:
Who are our customers? Segment, Market, Niche, Region, | -Partnerships, universities, local authorities, local employability partnerships.
-Developing the Young Workforce, school leavers.
-Local community
-Move from FT delivery, shorter courses.
Education is changing, flexibility is key.
-Local provider
-Adult returners
-SIMD 10/20
-ESOL, Construction, Health and Care
-Glasgow
- Renewables credentials – estate and curriculum, "green" champions
-Scotland as a whole. | *Finance Objects: Back to Black? How will we deliver financial results? Diversify from Scottish Funding Council Income?*

-Continue to use curriculum planning tool.
-Enhanced financial awareness via improved monitoring
-Change the fabric of the building, take down walls, create larger class sizes. (Partitions)
-Rent out premises, evenings / weekends
-Utilise the building better, summer etc.
-Online offer
-Increase short, sharp courses and upskilling.
-Liaise with commercial / community organisations.
-Full cost courses at profit.
-Concentrate on mandatory training courses.
-Expand MA contract
-More flexibility in working practices | *What is threatening success? (Finance, IT, People, Operations, the Market, Business Model?)*

Response:

-Centralised flat cash funding allocation for the next three years.
-10.75% cut imposed, therefore inability to grow.
-Dissolution not happening quickly enough. -Restraints imposed by national collective bargaining.
-Need to expand /upskill staff
-Classes too small, but risk to quality if too large.
-Personal circumstances of students; invest in support services, which are expensive. -Staff costs
-Flexible learning gap.
-Business Development gap
-Different business model needed.
-Absence levels impacting on pay budget. -Brexit
-Universities dropping entry criteria. |

		- Efficiencies with streamlined and shared resources between NCL and SLC. -College has a good track record of meeting targets. -Digital Skills, Cyber security -Summer schools, international income.	- Need to map out representation to working groups for better handle of potential opportunities -Silo working, not collaborating. -Communication strategy needed. - Explore possible joint initiatives and defined responsibilities for employer engagement (eg. Thematic, sectoral etc -Customer focus required - Costs during downtime (weekends etc)
Value Proposition *What do we offer our customers? (Quality, Value for Money, Relationship, Service etc)*	-Excellent student experience. -Professionally qualified staff. -APUC to support value for money. -Adherence to community benefits, such as paying a minimum of the Glasgow Living Wage etc. -Stepping stone between school, university and the workplace -Support from peer group, support services -Lifelong learning opportunities -Offering upskilling opportunities to employers. -Assurance packages for employers, short sharp teaching. -Quality training, facilities, and pastoral services -Vibrant atmosphere -Staff with green credentials -Expert knowledge		
Operations Panel		**Resource Panel**	

Partners: *Who are our key partners that we need to have or maintain a*	-Employers -Schools -South Lanarkshire Council - Community Learning	• *What are the key IT systems and deliverables? (Systems, networks, AI)* • *Infrastructure: Property, machinery, land*
relationship with? (Employers, local authority, funding bodies etc)	-Third sector -Scottish Funding Council -Skills Development Scotland -Scottish Qualifications Authority. -Education Scotland -Universities -CITB, SNIPEF, industry bodies -Energy Skills Partnership -New College Lanarkshire -College Development Network -Construction Be-st -Employees -Trade Unions -Students -Other colleges -Identify others	• *People and Talent: What are the key people and talent deliverables? (Recruit, develop, retain etc)* • *Culture, Values and Leadership: What the key deliverables? (values, behaviour)* -College owns land and campus. -Add motion sensors to lights -Paperless office / classroom /Boardroom -Telephony replace handsets -Move from physical to cloud servers -Emphasis the quality of what we do in our tenders and bids. Cannot compete on price. -Digital expertise -Encourage a "to do" attitude. -Risk appetite to be considered. -Identify and recognise talent, reward staff. -Need to role model values and behaviours. -Innovation in work practice. -Further stakeholder mapping

| Core Competencies
What internal processes do we have to excel at?
(Delivering a service etc | -Run major contracts? For example, CITB, SNIPEF etc. Have to staff appropriately.
-Integrated IT management systems
-Customer management systems
-Collaborative approach to deliver vision. |

Board of Management

DATE:	26th September 2023
AGENDA REF:	11
TITLE OF REPORT:	Governance Rolling Review
AUTHOR AND CONTACT DETAILS	Peter Scott peter.scott@slc.ac.uk
PURPOSE:	To update the Board on progress with the proposed Rolling review and seek further advice as appropriate
KEY RECOMMENDATIONS/ DECISIONS:	Members are recommended to note that: • the Rolling Review has been agreed in principle but with the appointment of a new Governance Professional the final version for consideration should reflect his input as well as that of the outgoing Governance Professional • The proposal now is that the new and the outgoing Governance professionals should work with the Internal Auditors to produce a structured Rolling Governance Review for consideration by the December Board .
RISK	Governance is recognised as a potential strategic management risk and appropriate mitigating actions such as having a Governance Rolling Review is fully consistent with best practice i .
RELEVANT STRATEGIC AIM:	• Highest quality education and support. • Sustainable Behaviors. • Successful Students

| SUMMARY | • This report sets out a draft of the Rolling Governance Review for information and comment. |
| | • It focuses on the principles of good governance with subheadings of importance relating to each principle. |

1. INTRODUCTION

1.1 This paper sets out the latest draft of the Rolling Governance Review

2. GOVERNANCE IMPROVEMENT PLAN

2.1 The Governance Improvement Plan was established to address any identified or emerging issues identified in the ongoing review of Governance at South Lanarkshire College. This plan was completed, and the Board of Management agreed that there should now be a "Governance Rolling Review."

3. GOVERNANCE ROLLING REVIEW

3.1 The principles of good governance are:

3.1.1 Leadership and Strategy

3.1.2 Quality of the Student Experience

3.1.3 Accountability

3.1.4 Effectiveness

3.1.5 Relationships and Collaboration

3.2 The Governance Rolling Review plan will focus on these areas, with subheadings of importance staff governance, quality monitoring and oversight and partnership working.

4 RISK

4.1 Governance is recognised as a potential strategic management risk and appropriate mitigating actions such as having a Governance Rolling Review, which is best practice, is required.

5 EQUALITIES

5.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

6 RECOMMENDATIONS

6.1 Members are recommended to note that:

6.1.1 the Rolling Review should build on the recommendation of the Internal Auditors, and be informed by best practice and

6.1.2 Specifically Best Practice suggests that a structured Governance Review should be linked to the Principles set out in the Code of Good Governance

ROLLING GOVERNANCE REVIEW DRAFT

The actions to deliver improvement contained in this plan will be developed and implemented to address any previously identified or emerging issues identified by way of Ongoing Review of Governance at South Lanarkshire College. This will proceed following consultation with Board Members and Senior Staff. A RAG system has been used to enable tracking of progress against actions and timescales.

Development Categories	Issue	Action		By Whom and When	Status and Progress Update as at **********
Leadership & Strategy	Conduct in Public Life	Training in New Code of Governance to be provided		Governance Professional by Nov 2023.	Being drafted
	Vision & Strategy	Involve Trade Unions in forward planning			Discussions ongoing
	Performance	Refresh paperwork for self assessment and evaluation and plan for externally facilitated self assessment review		GP for start of academic year	Work in hand
	Corporate Social Responsibility	Improve dialogue & communication with all stakeholders	Principal / Chair		
		Classroom dialogues with Board Members subject to agreement with Teaching Staff	Chair / Principal		
Quality of Student Experience	Student Engagement	Identify mechanisms for recognising and rewarding input of student body to support quality			
	Relevant High-Quality Learning	Identify alternative learning & teaching initiatives and potential funding streams for same			
	Quality Monitoring &	Work with SA and Class Reps to improve Quality Monitoring feedback			

	Oversight			
Accountability	Accountability & Delegation	Involve staff in discussions on facing challenge		
	Risk Management	Connect risk appetite to risk register		

	Audit Committee	Membership to be adjusted in line with New Code	Governance Professional	Implemented
	Remuneration Committee	?		
	Financial & Institutional Sustainability	Identify opportunities and address challenges in context of "flat cash" settlement		
		Explore options for best use of resources to generate in come		
		Explore options for 3rd sector partnerships		
		Explore possibility of identifying a university MBA research project for measuring cost -v- value efficiency		
	Staff Governance	Facilitate regular opportunities for Board members to engage with staff and staff representatives	Governance Professional	
		Improve information flow to appointed staff representatives	Principal & Governance Professional	

		Involve appropriately skilled staff by way of attendance at Committee Meetings and also participation in Strategy and Training days	Principal & Governance Professional	Considerable progress made but room for discussion on potential for improvement
Effectiveness	Board Chair	Plan for appointment of ne Chair in 2024		
	Senior Independent Member	Refresh Training & Support		
	Board Members	Identify Training needs		
	Principal & Chief Executive	?		
	Governance Professional	Recruit new postholder	Board	Completed
		Agree overarching policy on resolving issues around grievance, breach of contract and conflict of interest	GP / HR	
	Appointment Induction & Training	New processes in anticipation of TU membership	GP	Induction awareness sessions already taken place
	Board Evaluation	Revisit and refresh process and procedure	GP	
Relationships & Collaboration	Partnership Working	Build Collaborative initiatives with Regional Partner	Clerks to Board	Projects identified for training & development
		Community Development		

Other		Equalities		
		Student Association Support & Recognition		

South Lanarkshire College

Students' Association

Board Report

August 2023

YOUR COLLEGE
YOUR WAY

Contents

Overview

Student Engagement

Throughout summer, the Student Association has completed a draft Operational Plan, Social Media Plan and are finalising our Strategic Plan. We are aiming to complete all these key documents prior to students returning so that we can turn our focus to welcoming them onto campus. We have also completed a welcome PowerPoint to introduce ourselves during class visits.

The Student Association Office has had a refresh over the summer months. We had the walls painted, replaced the carpet and requested a full deep clean of the space. The furniture has been moved around to create a more welcoming and inviting space for students to visit. We have also had the cabinets moved away from the window to make the office more visible to students.

The Student President and Vice President have been working with Guidance and Support Advisor Maggie Farrell to produce an Anxiety Webinar. This webinar will provide an overview for students on how to manage anxiety, featuring different tips and techniques that they can put into practice. We have recorded over a PowerPoint that will be shown to students when they come back from their summer break.

The Food Larder has been refilled so that we can immediately help students who are struggling for food. Students have already been made aware of this via promotion on social media for when they return. We will also shortly be confirming dates with Inspire for free soup and sandwich/breakfast starting in September. We have arranged a supply of free stationary for our students to pick up including notepads, pens and folders. Alongside this we have worked with Student Services to order in more free sanitary products for students and will be creating holiday packs for students to collect prior to the September Weekend and October break.

The SA have been very busy planning Freshers, which will take place from 11 to 13 September. We have reached out to different organisations and companies to invite them to our Freshers Event. Many companies have confirmed that they are coming, and spaces are filling up quickly.

The SA is very excited to welcome students back after the summer break. We will be working hard to raise awareness of the Student Association with students and promoting the services that are available to them. This will include hosting more activities and events on campus, visiting classes, working in partnership with Curriculum Areas and Departments, and being more involved in the Class Reps process.

As this report will highlight, 2022-23 was a busy year for the SA and we look forward to building on this for the upcoming academic year.

Emily Test Gender-Based Violence (GBV) Charter

Our full EmilyTest submission took place earlier this year and we are eagerly awaiting the final response to this. We are confident of a positive outcome for our Charter submission due to the huge amount of work that has taken place over the last year.
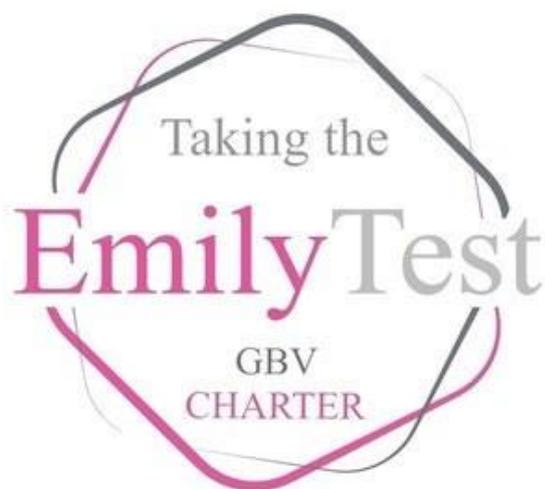
The SA has been directly involved in much of the activity, including coordinating gender-based violence prevention workshops with students to help raise awareness of our zerotolerance approach to GBV, as well as gaining valuable insight from students on the work being undertaken. This important work will continue into the new academic year with the introduction of a new e-learning module for students about GBV, created by Lanarkshire Rape Crisis, in addition to continued promotion of the support available. We will also be re-launching our Report and Support software to all new and returning students so that they are aware of how to raise any concerns to staff.

Student Poverty/Cost of Living

The ongoing cost-of-living crisis continues to have a major impact on our students, and we are committed to continuing to support them through this difficult time. As part of our initiatives for this upcoming year, we will continue to provide free soup and a sandwich to students one day per week. We would like to take this time to sincerely thank the SLC Foundation for their support in being able to provide this to our students. This support means we can continue to provide a healthy breakfast and lunch to those most impacted by rising food costs, which in turn will help them to focus on their studies. In 2022/23, in partnership with Inspire, we provided an amazing 17,186 servings of both soup and sandwich and breakfast to our students. Student testimonials to this offering have been overwhelmingly positive and we look forward to being able to continue to provide it.

Alongside this we will continue to operate the Student Larder where students can visit the SA office and collect much needed food and toiletries.   We will also be providing students with free pens, notebooks and blank folders to ensure they have essential stationary products. Throughout the year we will work closely with our colleagues in Student Services to signpost students to discretionary funding, as well as promote financial support through the SA fortnightly newsletter.

Student Mental Health Agreement

We were delighted to launch our Student Mental Health Agreement for 2022-2024 last year and look forward to continuing to deliver the initiatives from it over the upcoming year. The working areas for the SMHA were as follows:

- Continuing to Address Student Poverty
- Peer Support through Games & Activities
- Supporting Men's Mental Health

We have already achieved a great deal in addressing these areas but look forward to building the great work already done. To find out more about our SMHA, please visit the Student Associations' webpage here: https://www.slc.ac.uk/students/studentassociation/

2023-24 Operational Plan

The SA has completed the 2023/24 Operational Plan and Social Media Plan, plus we are finalising our Strategic Plan.

Our focus for the upcoming year is the following three priorities:

- ➢ empowering the student voice;
- ➢ Making sure all of our students feel welcome and included;
- ➢ organising games and activities to make sure our students have fun.

We have prepared a SA Induction PowerPoint and we will send out emails to all departments to book class visits. We want to be as visible as possible and have created an induction video for our social media accounts. This will help us to make sure all students know who we are and the support we offer.

We want to create lots of fun activities for our students to get involved in throughout the year and look forward to engaging with students.

College Hoodies

The Students Association have sent out emails to request three quotes for hoodies. This is still to be approved but we are hoping to order 355 hoodies for our students. We believe it is important to provide these fantastic products to our students and to maintain the low price of only £5 per hoodie. This initiative is important as part of our commitment to tackling student poverty and providing a high-quality garment at a subsidised costs to students.

We have decided to continue with the same design of hoodies that was decided by students last year, however we will be putting out a new poll via social media for students to decide on the colours they would like to see. We believe that our students deserve to choose what they will be buying.

We are empowering the student voice by making sure they are included in decisions such as these. We will post on our social media a poll & post where students can vote and have

their voice heard, thereby helping build their confidence, trust, and a relationship with the SA.

Lead and Change

During the summer holidays we attended Lead and Change, an exciting and informative event. We learned about self-care, and helpful tips for starting this new opportunity within the SA.

We were able to discuss what to expect from the second-year officers. We learned more about adopting a balanced lifestyle focusing on mental, physical, and sociological wellbeing. This is key to our roles because if we take good care of ourselves, it will enable us to take greater care of our students. This will also help us maintain our passion by always reflecting and remembering our values and what we stand for.

We have also learned about barriers, as well as the importance of saying 'NO' without feeling guilty for it because it is about self-love/care. We discussed and learned about our values, i.e. what we stand for, goals in life and aspirations.

We learned about the struggles students are facing during this cost-of-living crisis. We were given space and encouragement to create ideas on how best to support our students.

We had the opportunity to meet SA representatives from across all of Scotland and it was great to see what other institutions are doing. We were able to share ideas and we found out that SLC is doing great at supporting the SA! This has resulted in us having much more appreciation for the support we have from the College!

Overall, we learned a great deal and enjoyed our time. We made friends and gained a wider perspective on what it means to be a great, caring, successful leader.

Events
Staff Conference

Tuesday 15 August

The SA were delighted to be invited to the College's All Staff Conference on 15 August. It was great to hear from different speakers, including Principal, Stella McManus, on what the College's plans and goals were for the upcoming academic year.   It was also a great opportunity to meet staff from across the College and talk with them about how the SA can work with different areas to support our students. Overall, it was great to be involved in such an engaging event!

Forthcoming Events
Freshers'

Monday 11 – Wednesday 13 September

Freshers' Week is scheduled to start on Monday 11 September and we're looking forward to engaging with students! We will be hosting a SA stall where we can promote the different initiatives the SA are involved in, as well as signpost to all the fantastic support services available within the College.

As with previous years, we have invited various stall holders for the College Atrium to give students the opportunity to learn more about what's available in their local area.

Organisations confirmed to be attending include Police Scotland, Covey, Samaritans, Carers Trust Scotland, Dominos, Women's Aid, Money Matters and many more.

In addition to all these fantastic organisations being available, we are also arranging wellbeing sessions and the always popular Prize Pong! The Library will be set up as a Wellbeing Zone where students can talk with organisations such as NHS Inform, Breathing Space, JD Gyms, LAMH and more. There will also being mindfulness classes, arm/hand massages provided by LUSH and manicures provided by SLC students.   Throughout the week we will also be selling the SLC hoodies to students. We will be taking photos and promoting on social media throughout the day so ensure as many students as possible can take part in the event.

Board of Management

DATE	26 September 2023
TITLE OF REPORT	Quarter 4 ~ 2022/23 Management Forecast and Cashflow
REFERENCE	Item 13.0 - Commentary Item 13.1 - Management Forecast for the year to 31st July 2023 as at Quarter 4 Item 13.2 – Monthly Cashflow Forecast submitted to SFC for the year at 31 Aug 2023
AUTHOR AND CONTACT DETAILS	Keith McAllister, Head of Finance keith.mcallister@slc.ac.uk
PURPOSE:	To provide narrative to the forecast for the year to 31st July 2023 and to highlight the cashflow position at that date, as presented to the Finance and Resources Committee of 21 Aug 2023
KEY RECOMMENDATIONS/ DECISIONS:	The Board is recommended to: • note the financial position for the year and the narrative that supports the figures; and • the cashflow situation as notified to Scottish Funding Council
RISK	• That the College cannot maintain financial sustainability. • There are insufficient funds for capital maintenance and maintenance requirements.
RELEVANT STRATEGIC AIM:	• Sustainable Behaviours

SUMMARY OF REPORT:	• The College is confident of meeting its credit target of 48,812 and thus there is no potential for clawback. It should be noted that the Funding Council has allowed for more flexibility with a 2% negative or positive tolerance being applied in any case. That said, the College aim is always to achieve target.
	• The forecast deficit has risen from £503k as at Quarter 3 to £691k at Quarter 4. The main contributors to the net increase are the additional costs of clearing the backlog of assessment in the Construction area (approx. £100k) and an increase in non-salary spend in academic areas as a whole. This latter item will be the subject of further review as it is expected that some of the expenditure will relate to 2023/24 and can thus be recorded as Prepayments.
	• There is no indication that the salary award claims from 1st September 2022 will be settled in the near future; the forecast reflects the award as contained within the budget.
	• The cash position at the College will be a mitigation in the financial performance of the year.

1. REPORT SUMMARY

1.1 The initial review of the financial situation at this point shows an increase to the expected deficit. There are some ups and downs in respect of income, with an unforeseen increase in ESF income related to previous years being offset as already reported against shortfalls in fees and alternative income. The latter assumed a level of short contract works with the local authority in respect of Care subjects similar to the previous year, but that has not materialised.

1.2 It was noted at the last quarter end that salaries were under tight review, and this has resulted in a significant decrease in the forecast for the year. This, however, does depend on whether the current pay claim is met at a level above the amount set in the budget. It has to be noted that salary costs have been contained over the quarter.

1.3 There has been an increase in non-salary expenditure but the review to identify potential prepayments is still being undertake.

1.4 The Board is asked to note that whilst Depreciation is built into the Forecast, this does not represent a cash spend.

2 INCOME

2.1 The College was confident of closing the credit activity gap as reported at the last quarter and, subject to audit, the target will be met. This gives an assurance that core income is not

at risk. With there being no ESF target to meet (ESF activity had to be delivered or there would be a clawback in funding), the College does have a tolerance factor of 2.0% that it can utilise although the College always looks to meet its target.

2.2 The College overdelivered slightly on its 2020/21 ESF activity target and SFC has decided to allocate an additional £82k to the College in this respect. This was incorporated into the Quarter 2 figures.

2.3 Although the college sector no longer receives ESF activity and income, audits on prior year activity deliveries continues. The College has made provision for potential clawbacks and was required to repay £34k in respect of 2016/17 activity. This, though, was less than the £100k originally provided for as a consequence of additional work on reconciliation and audit work undertaken by College staff. The difference was released last quarter. These two situations increase the College SFC income by £147k for the year.

2.4 SFC capital allocations continue to be more modest than in previous years. These funds have been added to the existing College funds and will be utilised in line with capital investment plans. There is an allocation of what are termed "revenue" estates funds, and these will be utilised to offset normal annual estates and digital investment projects. Capital allocations are shown as a contra in Non-Salary Expenditure and will
be filtered through the relevant expenditure lines throughout the year or will be capitalised.

2.5 SFC has made an annual allocation in relation to the job evaluation exercise for support staff; this will be backdated to 1st September 2018 and each year's allocation has been retained by SFC until the exercise is completed. The allocation is shown as a contra in Wages & Salaries.

2.6 SFC has made two additional ring-fenced allocations in the year to date. The allocations are now:

   a. Digital inclusion £81k (as included in the original budget)
   b. Period poverty £8k
   c. Counselling £25k (to support the College counselling service)
   d. Young Person's Guarantee £75k (to provide additional support for students) Items a and b are contra'd in expenditure, whilst items c and d are represented by staffing costs included in the "Recurrent" wages and salaries line.

2.7 Flexible Workforce Development Funds (FWDF) activity was proving difficult to deliver; clients are signing up for training but not following this through due to issues with releasing staff. However, as reported last quarter, this situation has been the subject of additional staff input and the results are positive, allowing the estimate of income to be incorporated with more surety.

2.8 Income from HN courses will decrease from that anticipated, which was based on student numbers on those courses in June 2022. This is a situation reflected across the college sector. This accounts for a deficit of circa £60k. In addition, some anticipated short-term

contracts with the local authority to deliver to their staff have not materialised, resulting in a decrease to Forecast.

2.9 Income from Alternative Income has recovered somewhat from the adverse variance reported in Quarter two:

    e. On the downside, activity re the Shared Prosperity Fund has still not started as a consequence of the UK Government not yet signing off the approved bid. Therefore, it is anticipated that an element of this grant will be rephased into 2023/24. No element of the budget of £140k has been incorporated into the Forecast.

    f. To counter this, prior uncertainty with regard to the extension of the Rural Academy project has been resolved satisfactorily and the College has been successful in negotiating an increased Modern Apprentice ship contract.

2.10 Other income is expected to be slightly above budget with the refectory contributing a net income of £10k.

3 PAYROLL

3.1 Based on payroll, salaries look to be slightly under budget. There have been some ups and downs affecting the pay bill, such as the Acting Principal being in post for longer than anticipated, August 2022-March 2023, which equates to around £40k. However, to counter this, the level of recurrent staff costs, including temporary lecturing costs, have been held in check, resulting in a decrease in the forecasted spend for the year.

3.2 The College has engaged additional staffing re procurement for one year to bring forward anticipated savings as part of the College's value for money agenda.

3.3 The salary award due at 1 September 2022 has been incorporated into the forecast at the budgeted level of 3.0%. It should be noted that any salary award over and above that included in the budget will impact by £125k per 1.0%.

3.4 The job evaluation exercise for all support staff has not been completed and no further accrual of costs to be borne by the College in this regard have been incorporated into the 2022/23 forecast.

4 NON-SALARY EXPENDITURE

4.1 Property costs are very much dependent on market forces as regards utility costs, but it is anticipated that the budget has made adequate provision. A provision has been made to incorporate savings via procurement. Following an initial review of costs in February 2023, the College was seeking to save £100k in this area. This may have to be moderated to £50k.

4.2 Net depreciation should be as budget based on predicted asset purchases, but this will be subject to change depending on the review of purchases and the implication on the treatment of SFC grant funding.

4.3 Unfortunately, the costs attached to the investigation work have been higher than expected, partly as a result of additional work requested by the College's external audit provider, and thus out of the College's hands. The position has been exacerbated by the continuation of the need for professional consideration and this will push the spend in Central Services over budget despite some savings been made in other areas. It has also been noted previously that the fee for the external audit, a cost not within the control of the College, will increase by approximately £50k over the two years of review which will be invoiced in 2022/23.

4.4 Marketing has been concentrated on less expensive social media outlets and costs have been kept on budget.

4.5 The spend in the Academic area reflects a full year of delivery on campus. It reflects additional expense required to replenish stocks of materials and equipment that had not been factored into the budget, post-COVID and working remotely, to the extent that has been necessary.

4.6 This category of expense also incorporates assessment work previously carried out by the CITB and is at a level higher than anticipated due to a backlog that had to be addressed, resulting in a one-off additional cost of approximately £100k.

4.7 Additionally, a significant invoice re examination and registration fees was received very late in the academic year in May from the SQA, which was not incorporated in the Quarter 3 forecast.

4.8 This area of spend is the subject of a review by the College's Management Accountant due to the spike in ordering towards the end of the year as it is possible that goods have been purchased for utilisation in 2023/24. It is anticipated that some costs will be transferred from 2022/23 to 2023/24 resulting in a reduction in the forecasted deficit.

4.9 Cross College costs incorporated a modest subsidy of the refectory, but it is expected that the operation will make a very modest net contribution.

5 CASHFLOW

5.1 The College makes a cashflow return to the Funding Council each month. This incorporates its required drawdown, based on the grant in aid allocation, and it also incorporates a cashflow forecast for the year.

5.2 The attached document covered the College's August 2023 drawdown and forecast and contains assumptions on the phasing of major capital expenditure spends. It highlights that the College will have adequate working capital at the end of the 2023/24 financial year,

although the amount will depend on the utilisation of the sums ringfenced for those capital works.

5.3 The College continues to monitor its cashflow on a daily basis, and it should be noted that there is now opportunity for interest to be generated from the balance held. Funds are being held in fixed term account with the College's bankers, the Royal Bank of Scotland. The College's Financial Accountant is investigated the worth of having a short-term account for daily transfers.

6 EQUALITIES

6.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

7 RISK AND ASSURANCE

7.1 That the College cannot maintain financial sustainability.

7.2 There are insufficient funds for capital maintenance and maintenance requirements.

8 RECOMMENDATIONS

8.1 Members are recommended to:

8.1.1 review the updated forecast and note that the projected deficit has been increased although year end reconciliation work has not yet commenced and that it is anticipated that some costs will have been incurred that relate to the following financial year;

8.1.2 note that the salary award for 1 September 2022 has not been agreed and that every 1.0% increase over the rate already incorporated would result in additional costs of £125k; and

8.1.3 the impact of a settlement and potential cost to the College of the Job Evaluation scheme has not been factored into the forecast

		Board of Management		
				Sept 2023
				Agenda Item 13.1
Management Forecast		**12 Months to July 2023**		
Year to 31st July 2023	Note	**2022/23**		
		<u>Forecast</u>	<u>Budget</u>	<u>Variance</u>
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>**INCOME**</u>				
SFC - Grant in Aid	1	13,773	13,724	49
SFC - ESF	2	147	0	147
SFC - Capital	3	433	433	0
SFC - Salaries Contribution	4	239	239	0
SFC - Other	5	189	81	108
Total SFC income		**14,781**	**14,477**	**304**
FWDF	6	243	200	43
Fees	7	1,854	2,040	(186)
Alternative Funding	8	970	1,045	(75)
Other income	9	64	54	10
Total Income		**17,912**	**17,816**	**96**
<u>**EXPENDITURE**</u>				
<u>Wages & Salaries</u>				

Recurrent		13,796	13,867	71
SFC - salaries contribution		239	239	0
Pension Provision		30	30	0
	10	14,065	14,136	71
Non Salary Expenditure				
Property	11	992	1,069	77
SFC - Capital	Contra	433	433	0
SFC - Other	Contra	81	81	0
Net Depreciation	12	620	620	0
Central Services	13	1,080	903	(177)
Marketing	14	146	150	4
Academic supplies	15	1,110	878	(232)
Cross College Costs	16	76	86	10
		4,538	4,220	(318)
Total Expenditure		18,603	18,356	96
Surplus / (Deficit)		**(691)**	**(540)**	**(151)**

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	Actual				Current	Forecast											Totals	
	Apr-23	May-23	Jun-23	Jul-23	Aug-23 Current	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Total	Total
	Actual	Actual	Actual	Actual		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	FY 2023-24	AY 2023-24
RDEL																		
Income from foundation (revenue)																	0	0
Other Income excluding EMA (revenue)																		
RSB funding	403,167	753,057	118,176	129,917	135,204	119,995	170,198	96,611	261,655	241,528	136,866	523,311	324,587	606,281	80,509	40,255	3,089,685	2,737,000
			0	0													0	0
Total RDEL income (excluding drawdown)	403,167	753,057	118,176	129,917	135,204	119,995	170,198	96,611	261,655	241,528	136,866	523,311	324,587	606,281	80,509	40,255	3,089,685	2,737,000
Wages and Salaries	1,114,313	862,776	859,528	1,291,830	1,052,214	1,277,056	1,185,732	1,219,122	1,197,056	1,207,777	1,217,869	1,169,349	1,187,210	919,218	1,193,269	1,598,128	13,654,623	14,424,000
restructing costs																	0	0
Other Operating Expenditure excl' EMA					473,164													
NPD Unitary charges (paid by colleges)	263,048	746,556	633,368	487,770			164,388	373,280	254,649	254,649	278,522	377,994	318,311	209,328	594,093	318,311	4,625,699	3,935,000
Donation to Foundation High																	0	0
priority backlog- resource					0												0	0
Lifecycle maintenance resource					0												0	0
Student Support expenditure (excluding EMA)																	0	0
																	0	0
						0	0	0	0	0	0	0	0	0	0	0	0	0
	613,208	361,088	88,679	0		115,816	480,118	557,814	448,243	398,438	537,892	448,243	610,814	359,678	298,829	199,219	4,049,539	4,455,104
Total RDEL expenditure	1,990,570	1,970,420	1,581,574	1,779,600	1,525,377	1,557,260	2,039,130	2,031,585	1,899,948	1,884,737	2,133,755	1,935,903	2,007,352	1,872,988	1,810,409	2,115,658	22,329,861	22,814,104
Net RDEL expenditure (a)	-1,587,403	-1,217,363	-1,463,398	-1,649,683	-1,390,173	-1,437,265	-1,868,932	-1,934,973	-1,638,293	-1,643,209	-1,996,890	-1,412,593	-1,682,765	-1,266,707	-1,729,899	-2,075,403	-19,240,176	-20,077,104
CDEL																		
Income from foundation (capital)																	0	0
Proceeds of sale of fixed assets																		
Other income (capital)																	0	0
	176,519					160,108											176,519	377,000
					216,892													
Total CDEL income	176,519	0	0	0	216,892	160,108	0	0	0	0	0	0	0	0	0	0	176,519	377,000
Backlog maintenance capital					310,000			103,334			103,333			103,333			0	620,000
Lifecycle maintenance capital					125,000													
Digital poverty		99,311						41,667			41,666			41,667			99,311	250,000
Other capital expenditure (land, buildings, fixtures, IT)																		
Work in Progress (Assets Under Construction)						40,617				20,308		20,308					0	81,234
Surrender of proceeds	265,305		74,503	436,808													776,616	0
																	0	0
																	0	0
Total CDEL expenditure	265,305	99,311	74,503	436,808	435,000	40,617	0	145,001	0	20,308	144,999	0	20,308	145,000	0	0	875,927	951,234
Net CDEL expenditure (b)	-88,786	-99,311	-74,503	-436,808	-218,108	119,491	0	-145,001	0	-20,308	-144,999	0	-20,308	-145,000	0	0	-699,408	-574,234
ODEL																		
Capital Loan/Lennartz Repayments (c)																	0	0
EMA																		
EMA income	4,370	4,770	8,430	7,500	390	7,000	6,500	4,800	2,500	9,000	5,500	5,400	8,800	4,400	5,100	8,700	25,070	68,090
EMA expenditure	4,770	8,430	7,500	390	7,000	6,500	4,800	2,500	9,000	5,500	5,400	8,800	4,400	5,100	8,700	6,500	21,090	74,200
Net EMA (d)	-400	-3,660	930	7,110	-6,610	500	1,700	2,300	-6,500	3,500	100	-3,400	4,400	-700	-3,600	2,200	3,980	-6,110

Total Net Outflows/(Inflows) (a) +(b)+(c)+(d)	-1,676,589	-1,320,334	-1,536,971	-2,079,381	-1,614,891	-1,317,274	-1,867,232	-2,077,674	-1,644,793	-1,660,018	-2,141,789	-1,415,993	-1,698,674	-1,412,407	-1,733,499	-2,073,203	-19,935,604	-20,657,447
Opening Bank Balance	3,250,188	3,278,599	3,712,701	3,784,962	3,261,244	3,213,887	3,112,255	2,619,815	2,091,291	2,190,316	2,514,449	1,979,931	2,282,450	2,302,582	2,434,621	2,292,143		
Net Cash Available	1,573,599	1,958,265	2,175,730	1,705,581	1,646,353	1,896,613	1,245,022	542,140	446,498	530,298	372,660	563,938	583,776	890,174	701,121	218,939		
SFC Cash Drawdown Total	1,705,000	1,754,436	1,609,232	1,555,663	1,567,535	1,215,641	1,374,792	1,549,151	1,743,818	1,984,151	1,607,270	1,718,513	1,718,805	1,544,446	1,591,021	1,538,105	6,624,331	19,153,248
Closing Bank Balance	3,278,599	3,712,701	3,784,962	3,261,244	3,213,887	3,112,255	2,619,815	2,091,291	2,190,316	2,514,449	1,979,931	2,282,450	2,302,582	2,434,621	2,292,143	1,757,044		

SLC CFR August 23 template

BOARD OF MANAGEMENT

DATE	26 September 2023
TITLE OF REPORT	Risk Management – Risk Register Commentary
REFERENCE	14.0, referring to 14.1 Risk Register Commentary 14.2 Summary SLC Risk Register 14.3 Detailed SLC Risk Register
AUTHOR AND CONTACT DETAILS	Keith McAllister Keith.McAllister@slc.ac.uk
PURPOSE:	To provide members with an update to the risk management arrangements of the College and the Region.
KEY RECOMMENDATIONS/ DECISIONS:	Members are asked to: • review and approve the College's strategic risk analysis; • to note the risks identified in the Regional Risk Register; and • note that the SLC Head of Finance attends the meetings of the Regional Risk Group and presents the SLC Strategic Risk Register.
RISK	• That College strategic risks are not identified, and mitigating actions are not taken. • That the Region is not identifying strategic risks and mitigating actions are not taken.
RELEVANT STRATEGIC AIM:	• Successful Students • The Highest Quality Education and Support • Sustainable Behaviours

SUMMARY OF REPORT:	• The main challenge for the College continues to be the central cash settlement which, as recently announced for 2023/24, is a level lower than 2022/23. Most recent guidance from the Scottish Funding Council is that this crucial funding stream will not increase over the short term, with ring-fenced allocations being similarly constricted. • It should be noted that the College was the subject of a further S.22 report but the report, and the Parliamentary session, stated that the College had made excellent progress. Agenda item 06.1 presented to the August ARC meeting refers. • The commentary to the College's Strategic Risk Register is as below. • The College's Summary Strategic Risk Register is attached as document 14.2. Note that comments dated 2022 have been removed from the tables unless they are still pertinent to the understanding of the risk and associated mitigation. • The Regional Risk Register is completed and maintained by NCL staff and is presented to the SLC Audit and Risk Committee for information. The summary document was included in the ARC papers presented to the August 2023 meeting.

14.1 SLC Strategic Risk Register Commentary

1. INTRODUCTION

1.1. This paper provides a commentary on the College's strategic risk register.

2 RISK ONE - FINANCIAL SUSTAINABILITY

2.1 The latest financial forecast shows a projected deficit for 2022/23 at a slightly higher level than was initially anticipated. The salary award as at 1st September 2022 has still not been settled and is expected to be at a level higher than budget. This will affect the current financial forecast accordingly.

2.2 As noted previously, the Board of Management was content to approve a small deficit for 2022/23. However, the Board sought an assurance from management that all possible avenues would be explored to move the deficit nearer to break even. The Board, however, followed the proposal made by the Finance and Resources Board not to approve the significant deficits that were forecast for the four years from 2023/24 to 2026/27. This is the period of review that is covered by the SFC's financial forecast return (FFR).

2.3 Whilst the College can flex its temporary lecturing staff complement and non-salary expenditure to an extent, there are significant items within the wider cost base not as easy to control. With inflation showing little signs of abating from its double figure level yet and with salary award increases from 1 Sept 2022 likely to be above budget levels, the implications for the 2022/23 financial year accounts, and future years, are very challenging.

2.4 Management is confident that the credit target for 2022/23 will be met, subject to audit, so there is minimal risk regarding clawback especially as SFC has announced that the sector will have the safety net of a 2.0% leeway.

2.5 The Region's indicative Grant in Aid allocation for 2023/24 shows a decrease in activity and in funding. The Scottish Funding Council have cut activity across the board in the sector by 10.00% but have increased the funding per credit. This is intended to give colleges the same amount of cash but, theoretically, give the sector the opportunity to reduce its costs by delivering less. Additionally, the Region has had a 0.75% decrease in credit target (and associated funding) imposed on it.

2.6 There is no provision for inflation in the indicative allocation, currently running over 10%.

2.7 It is noted that there has been no settlement on salaries from 1st September 2022 and the next settlement date is looming. Taking the possibility of awards made above the initial budget with the possibility of flat cash settlements extending beyond 2023/24, the financial prospects are concerning.

3 RISK TWO - FAILURE OF FINANCIAL CONTROLS

3.1 The College is conscious of the added scrutiny on the organisation regarding financial controls but management is confident that the significant amount of work that has been undertaken by the Governance Professional, the Board of Management and the Senior Leadership Team on reviewing relevant policies and procedures and updating as necessary is putting the College onto an excellent footing for moving forward.

3.2 The internal audit service undertook a review of corporate governance in the summer of 2023, a review which touched upon financial controls in its widest sense.

4 RISK THREE - CREDIT TARGET

4.1 The College is confident of meeting its core credit target for 2022/23 and anticipates that there is no exposure to a clawback from the Scottish Funding Council (SFC) in this regard. This is, though, subject to audit. Going forward, the sector has a reduction in credit target of 10.0% and the Region has been subject to a further reduction of 0.70%.

4.2 Colleges have been informed that a tolerance has been allowed for in terms of core credit activity. That said, the College aims to reach its reduced activity target in the 2023/24 session without reference to the leeway. No provision for clawback has been built into the financial forecast for either 2022/23, as above, or 2023/24.

4.3 It should be noted that the College has accrued for any potential clawback in respect of ESF projects in previous years in its 2021/22 accounts and will continue to hold these potential liabilities until confirmation is received from SFC that they are no longer required. The College has been able to release £65k in respect of a provision no longer required.

5 RISK FIVE - CAPITAL FUNDING REQUIREMENTS

5.1 Although the College has ring fenced its own funds for capital replacement and more general investment via the Strategic Investment Fund, there is no capital allocation via the Backlog Maintenance Fund.

5.2 There is, though, a significant increase in the ring-fenced, formulaic capital funds for 2023/24 but no indication that this increased amount will be repeated in succeeding years.

5.3 As mitigation, and as already reported, the College has earmarked funds via its Strategic Investment Fund. It has also commissioned a QS report on the fabric of the building which will assist in funds being directed to the most appropriate areas.

6 RISK EIGHT - DAMAGE TO THE INTEGRITY OF MANAGEMENT INFORMATION SYSTEMS

6.1 The College reapplied for its annual Cyber Essentials Plus certification and successfully passed.

7 RISK NINE – FAILURE TO ACHIEVE ACCEPTABLY HIGH LEVELS OF LEARNING AND TEACHING

7.1 The College had a very successful Education Scotland Annual Engagement Visit in March 2023.

8 RISK TEN - THERE IS A FAILURE TO PROVIDE AN ENGAGING AND EFFECTIVE EMPLOYEE JOURNEY

8.1 With staff and students returning to campus in August 2022, the previously higher ranking for this risk was decreased as it will be easier to deliver a more effective HR service, particularly with a new HR Strategy having been formulated, approved and in the process of being implemented.

8.2 The purchase of a new HR system will support the delivery of the strategy. The implementation stage is now under way.

9 RISK ELEVEN - THERE IS A FAILURE TO SAFEGUARD THE HEALTH AND WELLBEING OF STAFF AND STUDENTS

9.1 The College is mindful of the particular strain on staff and students over the COVID period and beyond, and the current challenges regarding inflation will add to the issues that both staff and students may experience. Additional resources have been brought in to assist both staff and

students. As reported previously, the HR Department has been involved in tendering for a new HR management system which will assist with the management of employee wellbeing and development; the tender was awarded in April 2023 and the process to implement the enhanced service is well under way.

9.2 As regards student welfare, the Board has noted the impact of the uncertainty of ringfenced SFC funding for counsellors. With this central funding not being assured on an ongoing basis, the College applied to the Foundation for assistance and was successful in its bid. Consequently, two additional counsellors will be funded by the Foundation for a two-year period.

10 RISK THIRTEEN - FAILURE OF CORPORATE GOVERNANCE

10.1 A review of the enhancements in corporate governance has allowed the overall risk rating in this area to be downgraded over the past six months. This was supported by the internal audit provider review of the Governance Improvement Plan which was considered and approved by the Audit and Risk Board at its November 2022 meeting. The report was rated "Good" in terms of level of assurance, this being the highest rating possible, with only two low level recommendations. It was subsequently decided that any outstanding items would be picked up in the rolling programme of Governance development. A review of Governance was undertaken by the internal audit service providers in the summer of 2023 and their report is expected in September 2023.

10.2 With a newly appointed Principal in place, a recruitment process underway for the new Governance Professional position and a reshaping of the support for the Principalship function, the College is confident that the enhanced level of Governance will be maintained and further improved.

11 RISK FOURTEEN – ADVERSE REPUTATIONAL RISK

11.1 An additional risk was incorporated during the previous review to address the impact of any adverse reputational risk. The College acknowledged that there were potential reputational issues that may adversely affect the standing of the College and / or its financial sustainability and actively engaged in mitigation.

12 EQUALITIES

12.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

13 RISK AND ASSURANCE

13.1   That College strategic risks are not identified, and mitigating actions are not taken.

13.2   That the Region is not identifying strategic risks and mitigating actions are not taken.

14 RECOMMENDATIONS

14.1   Members are recommended to:

- o   Note that the Audit and Risk Committee reviewed and approved the strategic risk analysis contained in the College's Strategic Risk Register and the commentary thereto;
- o   note that the SLC Head of Finance attends the meetings of the Regional Risk Group and presents the SLC Strategic Risk Register.

Strategic Risk Register												

Strategic Risk Register	Dated reviewed by Risk Management Group Dated reviewed by SLT	10/08/2023			Board of Management
Summary Schedule		22/08/2023			Sept 2023
	Next date of review	26/10/2023			Agenda Item 14.2

Risk No.	Description	Link to College Strategic Objectives	Impact Rating (1-4)	Probability Rating (1-4)	Risk Score	Previous submission risk score	Movement since last submission	Post-mitigation impact	Post-mitigation probability	Post-mitigation score	Previous submission mitigation score	Movement since last submission
1	That the College cannot maintain financial stability	3	4	3	12	12	.	4	3	12	12	➡ 0
2	That there is a failure of financial controls	3	4	2	8	8	0	3	2	6	9	⬆ -3
3	That there is failure to meet Credit target and /or failure to retain major public and private contracts.	1,3	4	3	12	12	0	3	3	9	9	➡ 0
4	That there is a breach of legislation and associated regulations (incl. GDPR)	2,3	2	3	6	6	0	2	2	4	4	➡ 0
5	That there are insufficient funds for capital project and maintenance requirements	1,3	4	2	8	8	0	3	1	3	6	⬆ -3
6	That there is a failure to meet statutory and legislative health and safety as well as safeguarding requirements.	2	3	3	9	9	0	3	2	6	6	➡ 0
7	That there is business interruption due to major disaster, IT failure etc	3	4	2	8	8	0	3	2	6	6	➡ 0
8	That there is a theft of, or damage to, Management Information System (incl. cyber-crime)	2,3	3	2	6	6	0	3	2	6	6	➡ 0
9	That there is a failure to achieve high standards of learning and teaching.	1,2	4	2	8	8	0	2	2	4	4	➡ 0
10	That there is a failure to provide an engaging and effective employee journey.	1,2	4	2	8	8	0	3	2	6	6	➡ 0
11	That there is a failure to safeguard the health and wellbeing of staff and students.	1,2,3	3	3	9	9	0	3	2	6	6	➡ 0
12	That the College cannot provide a robust learner experience supporting them onto their final destinations.	1,2	4	2	8	8	0	3	2	6	6	➡ 0
13	That there is a failure of Corporate Governance arrangements	2,3	4	3	12	12	0	3	2	6	6	➡ 0

14	That there is a reputational risk to the College.	3	2	3	6	6		0	2	3	6	6	→	0

College Strategic Objectives:							Risk Key	Low	1-4		
1	Successful students							Medium	5-11		
2	Highest quality education and support							High	12-16		
3	Sustainable behaviours										

Strategic Risk Register

Dated reviewed by Risk Management Group	10 August 2023	Audit and
Dated reviewed by SLT	22 August 2023	
Next date of review	26 October 2023	

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No.	Date Raised	Link to Quality Indicators / Strategic Aim	Description	Impact Rating (1-4)	Probability Rating (1-4)	Risk Score	Previous submission risk score	Movement since last submission	Implications	Mitigation Action	Post-mitigation impact	Post-mitigation probability	Post-mitigation score	Previous submission mitigation score	Movement since last submission	Progress To Green: Key Actions	Comments
1	26/04/2021	3.1, 3.5, 3.6	That the College cannot maintain financial stability	4	3	12	12	.	That the College would not be able to meet its financial obligations and /or that investment in student activity could not be maintained to an appropriate level.	Jan 2023 Awaiting indicative funding for the next academic year in March 2023. Indications are flat cash funding scenarios relating a real cut. Value for Money Group meeting on 25th January 2023. Apr 2023 Value for Money Group focus on staffing efficiencies and more robust Curriculum Planning model for 2023/24. Flat cash Grant in Aid settlement confirmed, but with additional cut in activity & funding for the Region. June 2023 "Flat cash" settlements for 2024/25 and 2025/26 copnfirmed by SFC. Board approved a deficit budget for 2023/24 only. Management working towards balanced budget.	4	3	12	12	0	January 2023 College has to continue working to make efficiencies and savings. April 2023 Interim budget to be drawn up for approval of the Board on 1st June 2023. Detailed budget to be prepared for additional meeting of the Finance and Resources Committee before completion of the SFC return (FFR). August 2023 Curriculum Planning model being used to monitor staffing. Improved and enhanced budget monitoring procedures being introduced for 2023/24.	January 2023 Await update from the Value Money group on 26 January 2023 April 2023 Indicative grant in aid allocation received; expectation of flat cash settlement confirmed. Budgeting exercise already commenced on this assumption. August 2023 Staffing budget linked to Curriculum Plan. which will incease efficiency and improve staff utilisation.
2	26/04/2021	3.1, 3.2 3.5, 3.6	That there is a failure of financial controls	4	2	8	8	0	Insufficient or incorrect information available to senior management and the Board of Management; potential for fraud.	August 2023 Finance Dept team enhanced with permanent appointment of Management and Financial Accountants. Additional support re Procurement from APUC until December 2023. Extensive work has been undertalkken in conjunction with Governance Professional to update policies and procedures. Review of timetable of activities of the Audit and Risk Committee and Finance and Risk Committee now drawn up. Additional work has been undertaken by internal audit service on policies and prodcedures in 2022/23 and 2023/24.	3	2	6	9	-3	Closer scrutiny of previous internal audit recommendations, both via senior management and the Audit and Risk Committee. Introduction of new approach to control, assurance and risk management arrangements. April 2023 Review of governance to be undertaken by internal auditors in summer of 2023 August 2023 Pay controls in place, not replacing staff who have left the organisation, allowed for curriculum adjustmnets to be made, curriculum staff redployed to other areas should there be overstaffing.. Consideration given when staff leave whether this replacement needs to be FT, PT or whether it is needed. Curriculum Plan is very tightly planned, with finance and curriculum teams working together to prepare budgets for the year.	Introduction of formal ARC monitoring on an ongoing basis. August 2023 Positive follow up Section 22 review by Scottish Parliament
3	26/04/2021	1.6, 2.2, 2.4	That there is failure to meet Credit target and /or failure to retain major public and private contracts.	4	3	12	12	0	Clawback of SFC activity funding and shortfall in income. Failing to meet credit targets on a consistent basis may affect annual activity allocation. Failure to meet maintain ESF records to substantiate our claim is likely to affect income	Student activity is monitored on a weekly basis by senior management via the SLT meetings, with those weekly reports being made available to faculty and admissions staff; Additional enhanced reporting in use through Power BI to monitor real time information. Jan 2023 All credit activity to up on the by 27 January and checks to made on this. Plans are being put in place to meet the gap, such as the preparing to study courses. April 2023 Additional activity running and planned to meet credit target. August 2023 Region has a 10.7% decrease in activity taarget for 2023/24. Colleges now have a 2.0% leeway re meeting activity targets.	3	3	9	9	0	October 2022 Scenario planning and forecasting under way for the 2022/23 academic year; New website being launched in November 2022 to support with recruitment and learner journey. April 2023 Progress being made, but dependent on planned activity. August 2023 2022/23 taget met; Curriculum Plan model now operational with all courses for 2023/24 incorporated; accurate monitoring now enhanced.	August 2023 2022/23 credit target achieved. 10.0% sectoral decrease in credit target for 2023/24, plus additional 0.7% Regional decrease. 2.0% target achievement tolerance and positive change in retention tolerance announced for 2023/24. In addition only 80% clawback should there be an issue.
4	26/04/2021	2.1, 2.5, 3.4, 3.6	That there is a breach of legislation and associated regulations (incl. GDPR)	2	3	6	6	0	Breach or leak of sensitive data impacting on college reputation.	Data Protection Officer in place to advice on general Data Protection Regulation; Staff mandatory training and policies in place and actively marketed to heighten awareness; Compliance/audit checks in place; GDPR policies currently being updated as part of College-wide policy refresh exercise; Training planned for all staff on legislative and regulatory issues, including conflict of interest, bribery and corruption and security of assets. August 2022 A suite of new polices have been developed and/or updated; Multi factor authentication in train; Cyber security Essentials status obtained; Training completed on conflict of interest etc as above and data protection and GDPR. October 2022 Cybersecurity audit completed satisfactorily. College is now undertaking penetration testing; All staff conference in August; all staff completed mandatory training on GDPR; Data Protection portal is now live. April 2023 New retention policy has been agreed and published. Cyber Essentials plus was successfully completed in Feb	2	2	4	4	0	Apr 2023 Retention Documentation has been issued, further actions will be completed including communication of this guide for all managers to control the documentation Cyber risk framework is being updated in June this year to ratify the score in this sheet. (Cyber risk can be escalated for important issues arise in that review)	Data protection team have worked through a number of ROPA with each area and are currently pulling together Info Asset Register. Records Retention Policy now complete and published, actions will follow this publication via communication of this policy to improve document governance.
5	26/04/2021	2.1, 2.2, 2.6, 3.5	That there are insufficient funds for capital project and maintenance requirements	4	2	8	8	0	The College estate is of an age that requires constant monitoring and an appropriate level of funding to address major issues (e.g. building envlope, heating and cooling, lifts, security equipment, etc.)	SFC undertook a condition survey and has allocated funds over a five year period to address backlog maintenance and dilapidation works. The College appointed professional advisors to assist in the management of the projects which have been undertaken. College has enhanced its procurement arrangements to ensure that all major items of expenditure are reviewed by a senior management committee, thus ensuring value for money as well as an additional level of control over non salary spend. As part of our approach to the introduction of a Strategic Investment Plan, the College is currently considering introducing its own estate condition survey, given the age of the building and the number of significant repairs now being required. August 2023 CAPEX projects prioritised and completed within budget allowing for future works within remaining ringfenced funds	3	1	3	6	-3	Current planning is to utilise cash holding to fund an infrastructure investment programme; Additionally, the college is planning to undertake an estate condition survey to ensure that a clear plan for any additional work is captured.; The air conditioning units and the roof are all currently being replaced; Air Conditioning replacement completed. Roof project almost completed, snagging being undertaken. Building is weather proofed. Jan 2023 Update on capex progress to date at VfM group on 25th January 2023. April 2023 Funds have been committed to support the key changes to the building. August 2023 Following completion of CAPEX works, funding remains for future works	Central funding received in 2020/21 and 2021/22 allowed the College to address major repairs and renewals sooner than originally planned. This includes a major upgrade to the fabric of the roof, which would be most vulnerable to possible issues associated with the natural lifespan of the building. August 2023 Various works completed over previous months within confines of funding whilst leaving sufficient amount for future required works. Cladding repairs are expected to be the next significant work. Additional funds have been allocated for next year. SFC capital funding allocation for 2023/24 should be sufficient for short term projects & maintenance
6	26/04/2021	1.1, 1.2, 1.3, 1.4, 2.1, 3.1, 3.3	That there is a failure to meet statutory and legislative health and safety as well as safeguarding requirements.	3	3	9	9	0	Impacts on safety of all employees and students leading to serious injury or death. Unable to protect our most vulnerable students.	Health and Safety Committee meet regularly to monitor health and safety arrangements and any issues are raised. Staff induction in place on H&S; Separate COVID risk register in place to monitor operational arrangements; Facilities Teams and H&S Officer ensure all risk assessments are updated annually; Regular reporting on Health and Safety to HR Committee as part of their remit requirements; Full review of Health and Safety Policy and Procedures being undertaken; Lead Safeguarding Officers in place and appropriate training in place.; Safeguarding group meets regularly. August 2022 Robust HMI Safeguarding report received in April 2022; Refresher training and reissue of safeguarding cards; Expanded the network of safeguarding officers; Health and Safety audit completed, with no major recommendations; Refreshed health and safety policy will go to the Board in October 2022; Appointment of 2 permanent health and safety staff members. October 2022 Health and Safety Audit completed satisfactorily. Health and Safety Policy approved by the Board of Management. January 2023 Health and Safety Policy launched and names of those who have read it recorded. April 2023 Progress made against internal audit plan and Health and Safety Committee meets regularly to keep on top of action and key issues. Policy and procedures updated. Safeguarding Policy and Procedures updated and due to got to the Board for approval in June 2023. August 2023 H&S Policy reviewed and updated over summer break. Continued quarterly H&S committee meetings planned including representation of cross college departments for 2023/24	3	2	6	6	0	October 2022 Health and Safety Policy Approved. First Aid Procedures renewed and due for sign off by SLT in October 2022. January 2023 Training sessions now being scheduled. April 2023 Significant progress made with policy and procedures. August 2023 There is a new Safeguarding Policy and Fitness to Study Policy approved by the Board in June 2023. Training for Health and Safety and Safeguarding will be rolled out to all staff in August through the mandatory online modules.	August 2023 Staff resource is working to capacity to get through policies and procedures updated as required.
7	26/04/2021	2.1, 2.5, 2.6, 3.5, 3.6	That there is business interruption due to major disaster, IT failure etc	4	2	8	8	0	Impacts on the college's ability to provide a service to its users as well as potential financial and performance impacts.	Business Continuity Plan for College in place. Business interruption insurance in place. Member of HEFESTIS and benefit from shared intelligence. August 2022 Internal audit for cybersecurity completed. Updated Microsoft Licence of AS allows for enhanced protection. October 2022 AS licence in place and multi factor authentication in place. April 2023 Board briefing for cyber security due on the 2nd of May, satisfying cyber audit points.	3	2	6	6	0	Existing business continuity arrangements being reviewed in light of recent events. Key estates risks now been identified and have been or are being resolved. Further training for incident response for board members needs to be considered and scheduled (Scenario training) A review of BCDR documentation is to be completed in the next few months to update mitigation controls.	The College had a developed Business Continuity Plan embedded prior to the COVID pandemic and has built on that via infrastructure improvements and additions utilising additional SFC ring-fenced funding. August 2023 Update of Business Continuity Planning Documentation will be completed by December 2023.
8	26/04/2021	2.1, 2.5, 2.6, 3.5, 3.6	That there is a theft of, or damage to, Management Information System (incl. cyber-crime)	3	2	6	6	0	Impacts on the college's ability to provide a service to its users as well as potential financial and performance impacts.	Shared sector approach in place through HEFESTIS and advanced intelligence. Robust and regular testing of IT systems Business continuity plans in place for IT and MIS areas. Annual certification with Cyber Essentials Plus Incident response training	3	2	6	6	0	Jan 2023 Cyber Essentials Basic has been complete and college is compliant. Cyber Essentials Plus to be completed FEB 2023 Close off from H&L Cyber audit actions by the summer, which should change the position of this task. April 2023 Cyber Essentials complete, Cyber training planned for the Board on the 2nd of May. Planned asset tracking update due in July 2023 to ratify the buildings equipment checks.	College successfully completed its Dec 2022 Cyber security audit with no issues. Incident Response Policy Updated Pen testing to be reviewed and purchased in the next few months

No.	Date Raised	Link to Quality Indicators / Strategic Aim	Description	Impact Rating (1-4)	Probability Rating (1-4)	Risk Score	Previous submission risk score	Movement since last submission	Implications	Mitigation Action	Post-mitigation impact	Post-mitigation probability	Post-mitigation score	Previous submission mitigation score	Movement since last submission	Progress To Green: Key Actions	Comments
9	26/04/2021	1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 2.3	That there is a failure to achieve high standards of learning and teaching.	4	2	8	8	0	Impacts on the student experience, the college's reputation and Education Scotland risk ratings. Impacts on student recruitment leading to financial risk.	January 2023 First self-evaluation cycles completed and progress reviews have taken place. Ongoing engagement and campus visits from HMI. Audit cycle in train. Robust learner voice processes which are acted on promptly. April 2023 Evaluation process updated and self evaluation progress occurring. HMIE Education Scotland visit took place in March 2023 which resulted in no main points for action.	2	2	4	4	0	October 2022 Mitigating actions in place. External assessors being used to assess Construction MAs, now part of the Quality Audit process to provide assurance that work is of a high standard and does not impact on direct claims status. April 2023 Education Scotland annual engagement visit report received which did not contain any main points of action. August 2023 Current challenges with missing outcomes due to ASOS, as yet there is not a national approach to ASOS, and there has been no communication from the Scottish Funding Council. The impact of this may mean that results nationally will not be available in March 2024.	Annual Engagement Visit from Education Scotland taking place Feb 2023.

Dated reviewed by Risk Management Group	10 August 2023
Dated reviewed by SLT	22 August 2023
Next date of review	26 October 2023

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Ag

No.	Date Raised	Link to Quality Indicators / Strategic Aim	Description	Impact Rating (1-4)	Probability Rating (1-4)	Risk Score	Previous submission risk score	Movement since last submission	Implications	Mitigation Action	Post-mitigation impact	Post-mitigation probability	Post-mitigation score	Previous submission mitigation score	Movement since last submission	Progress To Green: Key Actions	Comments
10	26/04/2021	2.1, 2.3, 2.6, 3.1, 3.3, 3.4	That there is a failure to provide an engaging and effective employee journey.	4	2	8	8	0	Impact on the employee experience and could result in high turnover, high absence rates, disengagement, poor employee relations and industrial relations matters, poor performance of employees and subsequently a poor experience for students and negative impact on college reputation.	October 2022 Accreditations achieved to date include: Disability Confident Employer and Leaders in Diversity. The re-accreditations of Investors in People and We Invest in Wellbeing are currently being progressed; Ongoing review of the employee journey, process optimisation and automation. Consideration for a new HR System; Refreshed policies and procedures include: Attendance Management and Support Procedure; Disciplinary Procedure; Grievance Procedure and the Public Interest Disclosure Policy and Procedure. January 2023 Employee Journey being mapped out and associated procedures being drafted, with a view of lean process management and consideration of both automation and employee experience. People Managers being trained on disciplinary, grievance and investigations by ACAS. Review of payroll and pensions process. April 2023 The College now has We Invest in Well Being Platinum. August 2023 New integrated HR & Payroll system on track to be implemented in 2023. Pension reporting streamlined.	3	2	6	6	0	The College is working on the implementation of a new HR system that will enhance experience, automate manual tasks. April 2023 New HR system is in the process of implementation.	College accreditations are being refreshed.
11	04/02/2022	2.1, 2.3, 2.5, 2.7, 3.1, 3.2, 3.4, 3.6 / Aim 1	That there is a failure to safeguard the health and wellbeing of staff and students.	3	3	9	9	0	Impacts on the health and wellbeing of staff and students. This could result in high absence, disengagement and higher withdrawal rates for students. Risk of serious harm to the individual if the appropriate safeguarding action is not taken. This would significantly impact the student and staff experience leading to potential risk of legal action, complaints and having a negative impact on the college reputation.	August 2022 Ongoing effective development of safeguarding and health and wellbeing support for staff and students. Safeguarding / GBV Prevention / Corporate Parenting / Carers Support policies and procedures in place. Specialised staff in Student Services and HR responding to concerns or issues. Criminal Convictions and PVG is undertaken as part of the employee recruitment process. Safeguarding, Prevent and Corporate Parenting training is mandatory as part of the staff induction process. Safeguarding including Prevent, Corporate Parenting, Mental Health & Wellbeing information and videos part of the Learner Induction process. College Safeguarding Group is a cross-college group which has both student and staff membership - this groups meets quarterly. GBV Prevention Strategy and Action Place / Corporate Parenting Plan in place which is monitored by the Safeguarding Group. Other mitigations include:- •Student Support email address. Same day response, including responses to financial and emotional crisis support. •Guidance and support staff available on campus for in person support on same day appointment basis. •Staff are trained in Mental Health First Aid and ASIST •Dissemination and attendance of external safeguarding training opportunities, such as those provided by CDN, •Counselling Service for staff and students. •Weekly Yoga and Mindfulness classes for staff and students •Online Togetherall resource for staff and students •Same day response provided via dedicated student support email, including responses to financial and emotional crisis support. •Guidance and support / line management staff available on campus for in person support on same day appointment basis. •Annual safeguarding, health and wellbeing calendar of events •College Mental Health Group and LGBT Champion Group in place •Peer support groups for staff and students April 2023 The new Safeguarding Policy and Procdure for staff and students has been updated and will go to the main board in June 2023.	3	2	6	6	0	October 2022 Additional staff in Students Services to help support well-being. Student Support Strategy in progress. Remploy an organisation to facilitate staff return to work is now being used to support. "We invest in wellbeing" survey issued to staff as part of Investors in People application with action plan formulated to deal wityh results.. August 2023 Funding approved by the SLC Trust (ALF) for two posts to support student and staff health and wellbeing. This is for Guidance & Support and Counselling. Pending SFC Mental Health Funds to support student health and wellbeing to be published for 2023-24.	
12	26/04/2021	1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 2.5, 2.6, 2.7, 3.1, 3.3	That the College cannot provide a robust learner experience supporting them onto their final destinations.	4	2	8	8	0	Relates to application and recruitment experience, students not receiving the appropriate or accurate information or the necessary access to support such as financial or health and wellbeing. Recruitment impacted by outdated systems impacting the experience. Also any delays to bursaries, additional IT equipment and discretionary support may impact.	Applications are monitored by the Student Services Team, review of application and enrolment system in train. Financial and emotional support offered by the Team. Team undertake regular training to provide the best possible service and to keep up to date with changes. Power BI now being used for curriculum planning and to ensure a more efficient application process. Other mitigations include •Same day response provided via dedicated student support email, including responses to financial and emotional crisis support. •Guidance and support staff available on campus for in person support on same day appointment basis. •Ongoing review of new Admissions electronic system to ensure smooth transition from application to enrolment. Additional work to be undertaken in this area via regular working group meetings. •Staff attendance at new Mental Health First Aid training, as provided by SLC. •Dissemination and attendance of external training opportunities, such as those provided by CDN, etc. •Review potential increase in counselling and guidance/support provision to ensure reduction in waiting times for emotional support. •Bursary software under review with developers. •Support being provided to SA including additional recruitment of new VP. •Provision of long term laptop loans via Library service to facilitate engagement in class and coursework. Reinforced links between the student association, class reps and quality team so directly links back to the learner More opportunities for students to undertake study skills in this academic year and it has now been introduced into twilight sessions. January 2023 Progressing students are due to be given a conditional offer in Feb 2023 for the first time. National Career Review may inform College's approach to IAG. Applications for 2023-24 due to open on 30th January 2023. August 2023 The vast majority of applications and students are progressed on a timely basis, however, further actions are being taken to ensure consistency across the college.	3	2	6	6	0	Additional central funding has been received to allow additional resources to be brought in to address particular issues that may be exacerbated due to the COVID pandemic. Website refresh now out to tender. Power BI being used to for applications and curriculum planning. Review taking place regarding staffing resources to meet student needs of financial and emotional support. This includes reviewing the possibility of additional recruitment within student funding, guidance and support, etc, including student placements for counselling. May 2022 Current strike action by EIS is having a negative impact on the learning experience. EQA activity at risk due to lecturers potentially not engaging and resulting learners as well. August 2022 Mitigating actions have allowed this risk to be reduced due to the completion of the key system updates, removal of barriers to progress and clearer focus on supporting students to achieve their destinations. October 2022 Work in progress on reviewing business support functions supporting the learner recruitment journey. January 2023 Longer term review required.	A
13	26/04/2021	3.1, 3.2, 3.4, 3.5, 3.6	That there is a failure of Corporate Governance arrangements	4	3	12	12	0	That the College would fail in its duties as a public body and charity to adhere to statutory expectations. Risk to business delivery; risk to reputation; risk to effective relations between SLC and NCL e.g. given journey towards dissolution and risk of distraction or tension and ensuing impact on operational delivery.	Effective training and development for all staff, including in relation to compliance; Effective T&D for the Board, given 10 new members, building on the recommendations of the EER and including consideration of culture and values of Board. Advice sought from appropriate bodies (SFC, IA, Good Governance Steering Group). Planning for the transition to dissolution will be important to ensure that we have the right systems, processes and relationships in place to take up position as a Regional college. Work already in train to identify agreed actions; SFC has established a liaison group involving themselves, Scottish Government and the two colleges. The Audit and Risk Committee are overseeing a formal, quarterly review of all audit recommendations on a rolling basis to ensure that all actions agreed are completed appropriately and according to timetable. October 2022 Government Improvement Plan signed off by the Board of Management and agreed to incorporate this into the usual Board of Management Evaluation and Enhancement Plan. Strategy Day held with the Board of Management on Risk and Equality and Diversity held in Sept 2022 External Auditors content that regional board members and/ staff attend committee meetings. April 2023 The AAR report stated that the College was now fully compliant with the Code of Good Governance for Scotland's Colleges as at July 2022. August 2023 Staggered appointment of new board members.	3	2	6	6	0	Awaiting finalisation of Board member induction programme; Board discussion on SFC report to progress recommendations; Awaiting clarification from SFC/SG on timeframe for dissolution to allow for planning. Jan 2022 Governance Improvement Plan established post the SFC Governance review as well as input from internal auditors is now being actioned. May 2022 Board members have been inducted; Key polices have been updated, financial regulations and bribery have all been updated and approved by Committee. Disciplinary, capability and grievance also due to be signed off at next HR Committee meetings; Governance Improvement plan shows progress against key actions. Board strategy day planned for 16 May 2022; Acting Principal now in place until investigation has been resolved; Risk now of reputational damage due to increase in press coverage.; Challenges in recruiting key staff and risks around staff being able to leave for additional positions. August 2022 Strategy Day planned for August 2022; Clerk to the Board reviewed key documentation; New staff and student members appointed through the Clerk's successful recruitment; Significant progress made on Government Improvement and Management Response Plans.; The College adheres strictly to the Code of Good Governance for Scottish Colleges. January 2023 To date corporate governance is robust, with no breach of the Code for the 2022-23 year. April 2023 AAR from external audit providers confirmed that College was compliant with the Code at July 2022 and at the date of signing of the accounts (April 2023) Audit of governance to be undertaken by Henderson Loggie in summer 2023 August 2023 5 new Board members appointed over the summer.	Acting Chair and Acting Principal in place. The latter of which has extensive experience of corporate governance and was part of the group responsible for the drafting and review of the Code of Good Governance for Scottish Colleges. Recommend decoupling corporate governance risk with the ongoing investigations. This would include: Reputational damage risk Financial Risk. Both the Clerk to the Board and the Chair of Audit and Risk Committee to be consulted. August 2023 Potential further organisational risk and adverse media due to activity following the investigation. Recruitment of senior roles within the college, provided feedback which demonstrated that candidates were not "put off" from working at the College.

| 14 | 24/01/2023 | 2.3, 3.2, 3.3 | That there is a reputational risk to the College. | 2 | 3 | 6 | 6 | 0 | •That potential students, staff or Board members are deterred from enrolling / joining the College.
•That the College suffers financial loss from a decrease in activity or loss of access to potential income streams. | • Staff development sessions on, for example, inclusiveness and diversity being part of mandatory training for staff;•
Regular staff meetings including annual all-staff conference;
• College has complaints procedure, clearly highlighted on website;
• Extensive governance training for senior staff and Board members being delivered as part of a rolling programme of development | 2 | 3 | 6 | 6 | 0 | • Strategy being delevoped to ensure that "good news" stories are gathered centrally and distributed accordingly, particularly via social media;
• The implications of impending decrease in allocation of central funding or activity to be managed accordingly in terms of publicity and student / staff perception and morale;
•Action plan being formulated to address issues raised in staff survey | Acting Chair and Acting Principal in place. The latter of which has extensive experience of corporate governance and was part of the group responsible for the drafting and review of the Code of Good Governance for Scottish Colleges.

Recommend decoupling corporate governance risk with the ongoing investigations. This would include:
Reputational damage risk Financial Risk.

Both the Clerk to the Board and the Chair of Audit and Risk Committee to be consulted. |

Risk Key

Low	1-4
Medium	5-11
High	12-16

Risk Key

BOARD OF MANAGEMENT

DATE	26 September 2023
TITLE OF REPORT	Education Reviews: Independent Review of Qualifications and Assessment, Independent Review of the Skills Delivery Landscape and Purpose and Principles for Post School Education Research and Skills.
REFERENCE	15
AUTHOR AND CONTACT DETAILS	Stella McManus Stella.mcmanus@slc.ac.uk
PURPOSE:	To provide members with information relating to independent reviews which will fundamentally change the education system in Scotland, if all the reforms are implemented.
KEY RECOMMENDATIONS/ DECISIONS:	Members are requested to note the independent reviews, Colleges Scotland Draft Responses found in the annexes.
RISK	That the recommendations from these reviews are not implemented therefore not addressing the key gaps in the current education system.
RELEVANT STRATEGIC AIM:	• Successful Students • The Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	The three reviews outlined in this paper contain recommendations, which, if implemented will alter the shape of the education landscape in Scotland. • The Independent Review of Qualifications seeks to reform qualifications and to introduce a new Scottish Diploma of Achievement. • The Independent Review of the Skills Delivery Landscape seeks to create one single funding body for Scotland and to transform Skills Development Scotland into a national careers service. • The Purpose and Principles for Post School Education and Research sets out the Scottish Government's five principles and immediate priorities for change.

1. INTRODUCTION

1.1. This paper provides an overview of the three main reviews that have been finalised over the summer period. The three reviews which are, the Independent Review of Qualifications and Assessment, the Independent Review of the Skills Delivery Landscape and Purpose and Principles for Post School Education and Research, will

have a profound impact on the education sector in Scotland if all of the recommendations are implemented.

2 BACKGROUND

2.1 Two reports (2021) from the Organisation for Economic Co-operation and Development (OECD) recommended further coherence of the Curriculum for Excellence, and for the reform of qualifications for upper secondary assessments. In addition, The Scottish Government set out its National Strategy for Economic Transformation (NSET) which recommended a new culture of delivery where partners come together to deliver the skills needed to transform the Scottish economy. In addition, funding models across the education system were not based on any clearly defined formula nor was there a coherent lifelong learning journey.

2.2 As such these reviews were commissioned to start the process of system wide reform across lifelong learning and skills. The Independent Review of Qualifications and Assessment built on the recommendations of the Muir Report, which recommended abolishing the Scottish Qualifications Authority, the Independent Review of the Skills Delivery Landscape, focused on the delivery of skills in Scotland and the Purpose and Principles has drawn on some of the recommendations from these reviews in order for the Scottish Government to put forward its immediate priorities.

3 THE REVIEWS

3.1 *It's Our Future: The Independent Review of Qualifications and Assessment*

3.2 The Independent Review was established for four main reasons, which are listed below:

3.2.1 society is changing very quickly, and Scotland needs to look to the future and consider whether the current qualifications and assessment system is fit for a potentially very different future;

3.2.2 the COVID-19 pandemic highlighted dissatisfaction with Scotland's qualifications, and following the cancellation of examinations in 2020 and 2021, and the alternative approaches taken to National 5, Higher and Advanced Higher qualifications, there was public concern about fairness and widespread dissatisfaction with results and perceptions of inequity;

3.2.3 the evidence emerging from two OECD reports (OECD, 2021, Stobart, 2021) indicated a need for change in the Senior Phase; and

3.2.4 a longer-term dissatisfaction within Scotland about differences between the original intentions for Curriculum for Excellence (CfE) qualifications and learners' experiences of them.

3.3 The Review was concerned with Senior Phase qualifications in schools, colleges and wider educational settings. The focus was predominantly learners aged 15-18 in all educational settings, but the Review also considered possible implications for home educated learners and for adults who study courses which fall within the Review's remit.

3.4 Professor Louise Hayward set out twenty-six key recommendations regarding the qualifications system in Scotland and how it can best support learners in schools and colleges. One of the recommendations which will impact the college sector will be to introduce a Scottish Diploma of Achievement (SDA) with three elements: Personal Pathway, Programmes of Learning and Project Learning.

3.5 It is recommended that the SDA is used as a graduation certificate for all Senior Phase educational settings, and the following criteria should be used as a starting point for the further development of the Diploma:

3.5.1 all learners must be offered the chance to experience learning in respect of all elements of the Diploma. This should be viewed as an entitlement;

3.5.2 the overall Diploma should not be graded. It should be awarded when achievements are recognised in each element, Programmes of Learning, Project Learning and the Personal Pathway;

3.5.3 the Diploma will be awarded at point of exit and will include achievements gathered to that stage. This will include, qualifications, awards, credit accumulated and learner reflections on their personal learning through the Personal Pathway;

3.5.4 the three elements of the Diploma should not be weighted. All elements are important as evidence of breadth of achievement;

3.5.5 the Diploma, and the evidence within it, will move with the learner to be built on in college, employment, university and the voluntary sector;

3.5.6 if a learner does not show evidence of learning in all three elements, the Diploma will not be awarded. They will leave with a record of what they have achieved. It will be possible to undertake learning at a later stage to allow for the award to be made; and

3.5.7 All learners should leave with a digital profile.

3.6 It is also advised that there should be equal recognition of all qualifications at the same Scottish Credit and Qualifications Framework (SCQF) level with the same credit points and that the system should use the SCQF Level followed by the name of the qualification in promotional literature and in recording of results.

3.7 Colleges will be consulted regarding the delivery of the Diploma and how that will be realised in practice. More information on Colleges Scotland's response to this review and its 26 recommendations can be found in Annex A.

3.8 **The Independent Review of the Skills Delivery Landscape**

3.9 The report of James Withers' Independent Review of the Skills Delivery Landscape outlines recommendations to ensure the public sector can meet the level of economic transformation expected in the years ahead. The report puts forward major structural reforms to the current way skills are delivered in Scotland.

3.10   Key structural recommendations made by Withers include:

3.10.1 the creation of a new single funding and delivery body, bringing together functions from Skills Development Scotland (SDS), the Scottish Funding Council (SFC) and, possibly, the Student Awards Agency Scotland (SAAS);

3.10.2 giving the enterprise agencies a clear remit for supporting businesses, with workforce planning as an embedded and integrated part of business development and planning;

3.10.3 ensuring there is a clear remit for the new qualifications body – the successor to the SQA - in overseeing development and accreditation of all publicly funded post-school qualifications;

3.10.4 moving responsibility for national skills planning to the Scottish Government;

3.10.5 reform of Skills Development Scotland (SDS to create a new body with a singular focus on careers advice and education.

3.11   In addition, these recommendations are support by a further ten operational recommendations, and more detail can be found at Annex B. The report highlighted the important role that colleges will need to play to deliver the NSET strategy.

3.12   ***Purpose and Principles for Post-School Education Research and Skills***

3.13   This Scottish Government review intends to set out a framework that sets the policy direction and shapes delivery priorities to establish a lifelong education, research and skills system to fit the needs of the people of Scotland.

3.14   The report outlines five principles to support the following purpose of,

3.14.1 "*To develop new thinking, products and systems through research and to ensure that people, at every stage in life, have the opportunity and means to develop the skills, knowledge, values and attributes to fulfil their potential and to make a meaningful contribution to society.*"

3.15   Each of the following five principles have initial priorities that will be implemented, and both the Independent Review of Qualifications and Assessment and the

Independent Skills Delivery Landscape Review appear to have informed these priorities.

3.16   Principle 1 - Transparent, Resilient and Trusted

3.16.1 To lead the development of a new model of public funding for all forms of provision.

3.16.2 To investigate the options to deliver a single funding body, including tuition and living cost support, paying regard to issues such as the status and scope of the body's responsibilities.

3.16.3 To include responsibility for overseeing all publicly funded post school qualifications (except degrees) and the underpinning occupational standards and skills frameworks as part of the new qualifications body.

3.17   Principle 2 – Supportive and Equitable

3.17.1 Within financial constraints, build on manifesto commitments and undertake a review of student support for part-time learners to improve the parity of support on offer, especially for those who are returning to learning and may have other caring or workrelated responsibilities.

3.17.2 Develop a model for student support and engagement that takes account of all provision pathways and not just further and higher education, including considering apprenticeships and CLD.

3.18   Principle 3 – High Quality

3.18.1 Build on the work of the recommendations from the Careers Review to consider options for embedding careers advice and education within communities, educational settings and workplaces across Scotland; including options for future delivery of national careers services.

3.18.2 Build a comprehensive understanding of the post-school qualifications landscape to inform processes for developing, funding, assuring and approving publicly funded qualifications, and actions for wider reform of the qualifications landscape - including improved articulation with the senior phase.

3.18.3 Lead work to inform our future approach to apprenticeship development and delivery as part of an integrated landscape of pathways.

3.18.4 Work with institutions, public bodies and unions to ensure that staff at all levels are supported and empowered to deliver the high-quality work required by students, society and the wellbeing economy, in keeping with fair work principles.

3.19   Principle 4 – Globally Respected

3.19.1 Use and improve Study in Scotland materials as part of our approach though NSET to talent attraction and retention.

3.19.2 Take forward a pilot international mobility programme co-designed with sector representatives.

3.19.3 Continue to seek to influence the UK Government to secure our future association to Horizon Europe and other EU research programmes and ensure Scottish interests are protected regardless of outcome.

3.20   Principle 5 – Agile and Responsive

3.20.1 To take responsibility for skills planning – developing an approach at a national level that works with partners to set clear priorities.

3.20.2 Enhance and embed the role of employers in shaping system planning priorities, pathways and provision.

3.20.3 This will be supported by a regional approach that builds on existing regional economic partnerships and has employers and local providers, in particular colleges, at the centre.

3.21   More information on Colleges Scotland response can be found at Annex C.

4 EQUALITIES

4.1 These reforms will clearly affect all learners across the Scottish education system and they seek to ensure that the recommendations are fair and equitable to all.

5 RISK AND ASSURANCE

5.1 That the recommendations from these reviews are not implemented therefore not addressing the key gaps in the current education system.

6 RECOMMENDATIONS

6.1 Members are recommended to:

6.1.1 note the independent reviews and Colleges Scotland Draft Responses set out in the annexes.

ANNEX A

Colleges Scotland Response to Independent Review of Qualifications and Assessment Final Report – July 2023

General Reflections

Colleges Scotland broadly welcomes the recommendations of the Independent Review of

Qualifications and Assessment Final Report. The sector would welcome the introduction of a

Scottish Diploma of Achievement (SDA) pending further dialogue with the Scottish

Government on how the SDA will sit alongside the existing range of college courses. The SDA allows for an individual's achievements beyond the formal educational framework to be recognised and we welcome an approach based on experience and skills as well as knowledge – colleges have substantial experience in this method of assessment.

The sector also welcomes the introduction of a digital profile. The profile, if appropriately resourced, would work in parallel with the SDA to record not only assessment earned achievements but also on participation, experiences, as well as skills. The digital profile would also aid lifelong learning, as the learner will be able to return to college at a later date using their profile, furthermore it will allow smoother movements between different institutions.

The recommendations include a move towards using SCQF as standard across the postschool landscape. this would contribute towards an important cultural change by creating much needed parity of achievement across the educational landscape.

Within the review there is a focus on schools which is important, however, we need to ensure that the work and position of colleges is recognised as being vital when elements such as the SDA and digital profiles, are taken forward and developed.

In this paper we provide some initial views from the college sector, along with a RAG status, in order to allow ongoing dialogue with Scottish Government and other key stakeholders. Key for RAG status is as follows:

Red	Do not support the recommendation
Amber	Support the recommendation in principle and will proactively endorse publicly, whilst acknowledging further details are required
Green	Support the recommendation

Colleges Scotland

July 2023

Hayward Recommendations	What Colleges Can Do	RAG status
Recommendation 1: Change Qualifications and Assessment in the Senior Phase in Scotland. Change must be carefully planned and resourced. **Context of recommendation:** The themes from the Muir Report 2022 became the starting point for this Independent Review: the need to identify a future qualification and assessment system that would serve learners and Scotland as a society well and be undertaken in a way that would signal a change in culture. That would mean putting learners at the centre and developing, amongst all stakeholders, a shared Vision for the future of qualifications and assessment.	We have previously commented on the Muir Report, we would agree with the focus on individual learners and their diverse needs. College sector welcomes and will provide support for the change to creating a more holistic approach to assessment which has the learner and their diverse needs at the centre.	
Recommendation 2: Continue the process of cultural change. Scotland should retain the structure of the IRG and allied CCGs as a key method of engagement, as the country introduces and develops new approaches to qualifications and assessment. It should also build on this Review's attempts to involve every educational establishment in the country, learn from where it worked well and how that learning should influence future consultations.	We support the continuation of these focus groups to ensure all voices are heard. Whilst the focus could primarily be on schools, it is important that colleges continue to be fully involved and cover all levels of senior phase education. Colleges already support of a lifelong learning being embedded in our culture.	

Recommendation 3: Work in partnership with countries with similar aspirations to Scotland to develop qualifications and assessment. Learn from experience within Scotland but also be outward looking. Seek to learn with other nations with similar educational ambitions to build a	Utilise the UK Government's Turing scheme to reach out to international institutions. Learning from other cultures is important as it helps to create a more outward looking college sector. It is especially vital to include some countries which have good school – college links.	

Hayward Recommendations	What Colleges Can Do	RAG status
qualifications and assessment system that will remain fit for the future.		
Recommendation 4: Adopt the Vision and Principles proposed in this Review into policy and practice. Qualifications and Assessment in Scotland should be aligned with the Vision and Principles.	Colleges will work with Scottish Government and other key stakeholders, to ensure that it delivers for the learner and is consistent with delivery of Scottish Government's Purpose and Principles. It will be important during this process that there is a continued checking in with these stakeholders of these visions and principles so that the learner is recognised, valued and promoted.	

Recommendation 5: Adopt the SDA as the new approach to qualifications and assessment. The SDA (the Diploma) should contain three elements: Programmes of Learning, Project Learning and the Personal Pathway.	The college sector supports the principle of the SDA as it allows the individual learner to demonstrate achievement outwith the formal education system. By recognising skills and experience, as well as knowledge, it provides the learner with more autonomy over their ability and capacity to learn. Colleges will work with SQA to adapt and evolve with a new Scottish Diploma of Achievement. Dialogue should be sought with Scottish Government to understand the finer details of the diploma and how adaptable this would be with current college courses. Colleges contribute towards a change in culture with their method of assessment placing less weight on an end of year examination and giving more emphasis to continued assessment, highlighting experiential and skillsbased recognition. Colleges can contribute their experience into the new methods of assessment including: qualifications, awards, credit accumulated and learner reflections on their personal learning through the Personal Pathway.	
Recommendation 6: Use the SDA as a graduation certificate for all Senior Phase educational settings. The following criteria should	The college sector welcomes the introduction of a digital profile. This would recognise not just assessment earned achievements, but the achievements found particularly on college courses which are continually assessed, as well	

Hayward Recommendations	What Colleges Can Do	RAG status

be used as a starting point for further development of the Diploma:

• All learners must be offered the chance to experience learning in respect of all elements of the Diploma. This should be viewed as an entitlement.
• The overall Diploma should not be graded. It should be awarded when achievements are recognised in each element, Programmes of Learning, Project Learning and the Personal Pathway.
• The Diploma will be awarded at point of exit and will include achievements gathered to that stage. This will include, qualifications, awards, credit accumulated and learner reflections on their personal learning through the Personal Pathway.
• The three elements of the Diploma should not be weighted. All elements are important as evidence of breadth of achievement.
• The Diploma, and the evidence within it, will move with the learner to be built on in college, employment, university and the voluntary sector.
• If a learner does not show evidence of learning in all three elements, the Diploma will not be awarded. They will leave with a record of what they have achieved. It will be possible to undertake learning at a later stage to allow for the award to be made. • All elements of the Diploma should be accessible to Gaelic Medium Learners. • All learners should have a digital profile to allow them to record achievements in Programmes of
Learning, Project Learning and Personal Pathway.

as being based on student participation, experiences, and accomplishments throughout the academic year. Due to how assessments are carried out within colleges, such a method of accreditation would help smooth the transition to the use of this profile.

A digital profile will also help towards lifelong learning, as the learner will be able to return to college at a later date using their profile.

This method will help colleges to support in-work learning, and a modular approach to gaining skills, this will increase the ability of learners to move between institutions, micro-credentials, enhancing transferable skills.

This is welcomed by colleges as it places the emphasis on learning, and promotes a move away from solely teaching to assessment. Further consideration should be given as to how the profile will be recognised both across the United Kingdom and internationally.

Hayward Recommendations	What Colleges Can Do	RAG status
The profile will be owned by the learner. The Qualifications Body will regulate the information about achievements in Programmes of Learning and Project Learning. The Personal Pathway will be entirely in the control of the learner. • The digital profile must be fully accessible for all learners and available in Gaelic and other minority languages.		

Recommendation 7: Include the Programmes of Learning element as a prerequisite for the award of the Diploma. All learners should be offered a broad range of courses including academic, vocational, professional and technical courses. It is an entitlement. The Review recommends that the learning, teaching and assessment of Programmes of Learning can be strengthened by collaboratively taking forward the following actions: • Review course specifications to ensure that there is a strong relationship between what matters in the curriculum, pedagogy, assessment and qualifications. • Improve progression between the BGE and the Senior Phase and within the Senior Phase in schools and colleges. • Broaden the range of assessment methods for National Qualifications in the Senior Phase including increased opportunities for classroom assessment. • Act to reduce the number of examinations in the Senior Phase and involve only internal assessment at SCQF Levels 1-5. This will open up	The programmes of learning is especially attuned to the courses delivered within colleges which provide a wide variety of skills named in this recommendation – vocational, professional, and technical. Colleges will work collaboratively and share their existing knowledge with the qualification body to build on their existing expertise on continual assessment. Through these new approaches this can strengthen college-school partnerships which are continuously developing. Furthermore, where appropriate, these qualifications should be led by industry experts which will help to improve ties with local businesses. For this to take root it would need to be supported by a strong lifelong learning careers service. Helping people learn by assessing skills as well as knowledge is welcomed by the college sector, as it has a great deal of experience in this area.	

Hayward Recommendations	What Colleges Can Do	RAG status

a range of possibilities, e.g., for SCQF Level 6 Higher courses to progress across two years. • Where appropriate, retain external examination. Current examinations should be reviewed to reduce susceptibility to question prediction and over-rehearsal. • Increase flexibility by modularising courses and Programmes of Learning. This will allow learners to build credit as they progress through courses. • Create more time for learning and teaching. These proposals offer the potential for there to be more time for learning and teaching. Be vigilant to make sure that the time released is used for that purpose.	
Recommendation 8: Include the Personal Pathway element as a prerequisite for the award of the Diploma. It is an entitlement and must be available to all learners. This is an issue of equity. It must be flexible for all learners, recognising the importance of personal choice and should focus on what learners have achieved. This element should: • Encourage and celebrate the interests, competences and achievements of every learner. • Be owned by the learner, promote personalisation and choice. • Support learners to self-reflect on the skills and attributes they have developed. • Focus on what an individual has learned through an experience rather than on the number or location of experiences.	The Personal Pathway echoes the sentiments and goals of colleges as institutions supporting their communities. This strategy will help colleges include more social, cultural, economic and wellbeing aspects to their courses. By encouraging the learner to reflect on what they have learned throughout their courses it will: • Help to strengthen their contributions to their communities. • Engage in local cultural and arts activities. • Build strategies on how to develop wellbeing for themselves and others. • An understanding of their achievements which they are proud of. Personalising each course in this way contributes towards futureproofing college education. Colleges support a reflective and personal discussion as this helps to place the learner at the centre. This will need financial support to help train staff to build these new

	Personal Pathways roles.	

Hayward Recommendations	What Colleges Can Do	RAG status

• Subject to authentication processes but not graded. • Aim to include social, cultural, economic and well-being aspects. In many cases learners' experiences will integrate a number of these aspects. • Include a reflective, personal discussion which should be undertaken across an academic year and throughout the Senior Phase. Supportive structures should be established to support the development of this area of the Diploma. This should include professional learning and to ensure that the importance of this area of work is recognised, is well co-ordinated and has status, a promoted post should be established for those leading this work in schools and colleges.		
Recommendation 9: Use descriptions of knowledge progression and the universal skills framework, in the recently published Skills Review (Withers, 2023), if accepted, to inform the design of Project Learning in the SDA. They should also be used as the basis for assessment.	Colleges Scotland has produced a comprehensive response to the recommendations of Withers and there needs to be a tie-in as these recommendations are taken forward by Scottish Government.	
Recommendation 10: Include the Project Learning element as a prerequisite for the award of the Diploma. It is an entitlement and must be available to all learners. • Project Learning should be an identifiable and distinct part of the curriculum, building on Programmes of Study. Individual learners must be	Colleges support the learner-centred approach of Project Learning. With the onus being shifted away from end-of-year examinations this is consistent with the teaching practices found within colleges which harnessed the skills and experiences of the learner. Colleges support inclusion within the pedagogy.	

Hayward Recommendations	What Colleges Can Do	RAG status

allowed to apply their knowledge and skills across subjects to tackle a challenge. Project Learning can be undertaken through a mixture of group and individual work. However, it should be individually assessed.

• Project Learning should take place throughout the Senior Phase. A learner could choose to investigate a new project each year or build on the same project as they progress through the Senior Phase. The level of challenge should steadily increase, and achievement should be linked to SCQF levels and credits to demonstrate progression. While the focus of this Review is on the Senior Phase it may be beneficial to promote Project Learning in both 103 primary schools (where it already exists in a range of forms) and in the BGE Phase so as to support learners for the type of experience to come.

• Project Learning will be internally assessed within educational settings, with external verification built into the process to ensure shared standards across the country. Processes will be rigorous but light touch.

• There will be flexibility and different pathways within the Project element to promote inclusion particularly for learners with ASN, learners who are neurodivergent, learners who are highly able and those who may be educated at home. While some learners may undertake complex, long-term enquiry into major global issues, for other learners the project element of the Diploma may involve drawing together educational experiences to help

Hayward Recommendations	What Colleges Can Do	RAG status
build confidence, for example in terms of communication or independent travel. • The goal of a project investigation should be chosen by the learner. We acknowledge it may be necessary to start with a more defined offer in the early stages of the Project element of the Diploma. Examples will be developed collaboratively by teachers and lecturers, local authorities, researchers, national agencies and learners. These examples will be made available to schools across the country for them to adapt into their own circumstances.		
Recommendation 11: Enhance parity of esteem between types of qualifications by recognising as equal all qualifications at the same SCQF level with the same credit points: • Scotland, should use the SCQF Level followed by the name of the qualification in promotional literature and in recording of results • Academic, vocational, professional and technical qualifications should all be included within the Programmes of Study element of the Diploma • Due recognition is given to all elements of the Diploma as an award that illustrates much more that the completion of programmes.	Colleges would support the cultural change towards parity of esteem. Colleges know that the work they do is vitally important to the economic wellbeing of the country. They provide expert knowledge and skills on a wide variety of essential careers, as well as upskilling and reskilling those within the workforce who require it – most urgently in green skills. Moving to the use of SCQF levels across the post-school landscape would help to balance the view that one institution was significantly worthier than the other. Furthermore, it would also help in the role of community learning. Colleges welcome the central recommendation of the report in this area by building on the language of SCQF level to help provide a better understanding of different qualifications and how they relate to one another. Recognition of prior qualification would help to reduce unnecessary duplication within their learner journey. This can be done in partnership with local schools, universities and other qualification bodies.	

Hayward Recommendations	What Colleges Can Do	RAG status
Recommendation 12: Establish a Cross Sector Commission on Artificial Intelligence (AI) • As a matter of urgency, Scottish Government should convene and lead a cross sector commission to develop a shared value position on the future of AI in education and a set of guiding principles for the use of AI. • In the interim, teachers and learners should be supported to use AI, to take advantage of opportunities to reduce bureaucratic tasks. Coursework tasks should be reviewed.	Artificial Intelligence is creating challenges for the college sector, both positive and negative, and these can be assisted by this recommendation. Colleges will be able to share their experience of working with AI across the tertiary sector. This will not only help to meet the challenges that AI has created but will help to create stronger inter-institutional dialogue – ultimately helping to enrich the post-school landscape. It is important that when taking this forward it ties in with the AI Strategy for Scotland.	
Recommendation 13: Create a national plan to make the SDA a reality for all learners in all educational settings. • A national plan should be agreed for the introduction and development of the SDA to turn ideas into a reality for all learners in all educational settings. This plan should include resource implications.	Colleges agree to establishing an appropriate plan for making the Scottish Diploma of Achievement a success as it builds on the experience of colleges in continuous assessment. Colleges will contribute by continuing to create a place for all learners, with the ability to help those returning to the workforce.	

Recommendation 14: Develop the national plan and the wider process of change in ways that are inclusive and collegial. • It should be based on the Vision and Principles, must involve all those with an interest in qualifications and assessment and have a clear indication of how different communities will contribute to making the ideas in the Vision a reality for every learner in Scotland.	Colleges are at the heart of many communities, and as such they can communicate these more inclusive approaches towards achievement outlined as part of the SDA. Colleges are conduits for helping those from the most deprived areas of Scotland into the labour market. This approach to assessment would provide further support to colleges and help to empower those who feel left behind that post-school education is a place where they can return to or begin their learner journey anew.	

Hayward Recommendations	What Colleges Can Do	RAG status
• It is critical that all communities have opportunities to develop an understanding of the new approach to assessment and qualification system in Scotland. There should be opportunities for all involved in qualifications and assessment to discuss this report and to consider how the Vision and Principles might be put into practice in their context. • The plan should include a review cycle (Recommendation 4) where evidence is gathered from policy and practice to explore the relationship between ideas and practice and to take appropriate action. This formative review should be undertaken in partnership by practitioners, policy makers and researchers.	To create an inclusive and collegial plan it would be prudent to consider the review of Anchor institution guidance from Scottish Government in making colleges more aligned to their partner Anchor Institutions to promote cohesive strategic thinking.	

Recommendation 15: Introduce the SDA in phases. • The introduction of the SDA should be in a series of three overlapping phases. Space should be created to enable staff, learners and parents/carers to engage with the Vision and Principles and to be involved in the development of the Diploma. The plan for the phased introduction of the Diploma should be discussed and agreed by the start of session 2024-25.	To assist in creating that cultural change colleges will develop and help their staff to understand and work with the SDA. Much of the basis for experiential and skills-based learning is already present within colleges. The SDA should be implemented at an appropriate speed, with any pilot scheme ensuring it incorporates a college. Colleges understand that there will be difficulties and challenges attached to such a change in assessment but with their experience of assessing learners on more than an end-of-year basis there will be much that college staff will be familiar with.	
Recommendation 16: Make time available for staff in Education. Education staff need time to access professional learning, to collaborate and to engage with the changes being proposed. Given the unique needs of the GME sector professional	This is extremely important. For there to be a cultural change towards a parity of esteem across the post-school landscape staff must be trained, with suitable resource and funding provided to ensure this is done successfully.	

Hayward Recommendations	What Colleges Can Do	RAG status
learning tailored to help support the Diploma for Gaelic speaking learners and educators is crucial.		
Recommendation 17: Develop a long-term engagement and communication strategy	A long-term engagement and communication strategy will be vital in developing this work to the benefit of the learner.	

Recommendation 18: Build a national strategy for standards. • There should be an agreed national plan to build and sustain local and national standards for qualifications and assessment. • Training in how to avoid bias should be an essential part of the strategy and should involve teachers from Scotland's increasingly diverse workforce. • The strategy should be developed collaboratively by policy makers, practitioners and researchers.	Colleges welcome the need for a national strategy for standards (which would include Standards of Curriculum Development as part of it) as this will help to create parity of esteem within the post-school landscape.	
Recommendation 19: The Scottish Government and the new national education bodies should model cultural change. • As the SDA is developed and introduced, the Scottish Government and the new national education bodies should model cultural change by working collaboratively in ways that recognise and value the contribution of every participant.	Colleges would welcome this approach from the Scottish Government, such an approach will help them lead from the front with regards to a cultural change.	
Recommendation 20: Embed Qualification and Assessment developments clearly and explicitly within the wider reform agenda.	Colleges welcome coordination and guidance from Scottish Government with regards to implementing into the wider reform agenda through the framework to be established through Purpose and Principles.	

Hayward Recommendations	What Colleges Can Do	RAG status

• The Scottish Government must, as a matter of urgency, communicate a clear narrative that shows how the developments in qualifications and assessment are an integral part of the wider reform agenda. • The Scottish Government should establish collaborative structures to take forward the development of the SDA that mirror those developed during this Review to ensure that all those with an interest in qualifications and assessment continue to be part of the strategy for its realisation.	
Recommendation 21: Design the new national qualifications body to work in partnership with learners, teachers, policy and research communities to: • Develop a flexible modular approach to National Qualification courses to allow learners to build credit over time towards qualifications and to enable the system to respond with agility to the changing needs of individuals, society and the economy. • Extend the range of assessment methods within National Qualifications and identify what other actions might be taken to reduce the potential for rote learning and enhance the learner experience. • Rationalise the existing range of courses to create a clear, coherent offer for learners, parents/carers, schools, colleges, employers and universities.	Colleges would be keen to be involved in discussions around the new qualifications body to establish a strong understanding of the SDA. A move to a more learner responsive course would be beneficial for transition between institutions and for lifelong learning.

Hayward Recommendations	What Colleges Can Do	RAG status
• Build a new approach to qualifications and assessment that has public confidence, is highly regarded nationally and is rigorous but not overly bureaucratic.		
Recommendation 22: Ask the new curriculum body in partnership with the new qualifications body to work with learners, teachers, policy and research communities to: • Improve course progression between the BGE and the Senior Phase, and within National Qualifications offered in the Senior Phase. • Co-construct and to trial examples of Project Learning in different educational establishments across the country. These examples should be made available to schools and colleges nationally for teachers/lecturers to adapt to their own circumstances. • Work with local authorities, schools, colleges, teachers and lecturers to build a national moderation system that is rigorous but proportionate.	Colleges are keen to work with the new curriculum body to coordinate a smooth transition into the SDA.	

| Recommendation 23: Ask the Independent Inspectorate (HMIE) to work in partnership with learners, teachers, policy and research communities to:

• Ensure the process of inspection effectively supports the introduction of the SDA in ways that are consistent with a collaborative, empowered culture. | Colleges would be keen to be involved in discussions with Independent Inspectorate (HMIE) to coordinate a smooth transition into the SDA. | |

Hayward Recommendations	What Colleges Can Do	RAG status
• Review practice with researchers and practitioners as the SDA develops and to identify if gaps are emerging between intentions and practices. The evidence emerging from these Reviews should be used formatively to identify actions to re-align the process.		

Recommendation 24: Establish the SDA as expected practice for teachers: • Teacher Education Institutions should work with the GTCS to review their programmes to ensure that newly qualified secondary school teachers and college lecturers are well-prepared to work with the different elements of the SDA. • As part of their review cycle, GTCS should reflect the need for all secondary teachers to work with the SDA in their Professional Standards. • The Teaching Qualification in Further Education (TQFE) providers should review their programmes to ensure that college lecturers are well-prepared to work with the different elements of the SDA.	College will work with the Teaching Qualification in Further Education to train and develop lecturers' skills in the different elements of the new SDA. Due to colleges working in a similar pedagogical structure, this should make for a smooth transition into the SDA.	
Recommendation 25: Encourage colleges, employers and universities to use the wider evidence base provided by the SDA as the basis of decisions they take when selecting students or employees.	Colleges have been administering continuous assessment courses and as such can help to take the lead on these matters.	
Recommendation 26: Require national monitoring and accountability systems to gather information on the breadth of achievements recognised within the SDA. Insight and the	Colleges will cooperate with national monitoring and accountability systems in order to help progress and develop the SDA.	
Hayward Recommendations	**What Colleges Can Do**	**RAG status**
National Improvement Framework should be updated to reflect success as envisaged in the SDA.		

ANNEX B

Colleges Scotland Response to the Report of Independent Review of the Skills Delivery Landscape - July 2023

General reflections

Colleges Scotland is pleased to provide a response to the Report of Independent Review of the Skills Delivery Landscape (the Withers Review), much of which we support, particularly where Withers reinforces the key role the college sector plays but importantly how the sector is central to the delivery of a world class skills deliver system supporting both economic and social prosperity. We strongly support the general direction of the recommendations outlined in the review, many of which build on those recommendations presented in the Cumberford-Little report (2020). It is important to note however, that the review does not suggest timescales for implementation of the recommendations, and further consultation on this is needed.

The Review is incredibly timely given the sector is on an unsustainable trajectory and operating in a wider system which is characterised by a cluttered landscape around education, training, skills delivery, and work-based opportunities in Scotland. All of us want the needs of learners, communities, employers, and the economy to be at the centre of planning and decision-making for how skills are delivered now, and in the future.

Colleges Scotland would welcome clear leadership and direction from the Scottish Government which recognises the critical contribution of colleges to local and regional economies, communities, and the life-changing opportunities colleges provide for individuals.

Colleges Scotland is committed to working alongside Scottish Ministers to drive and lead system reform for the benefit of learners, communities, employers and the economy.

Colleges Scotland would stress that it will be impossible to deliver Ministers' ambitions for a skilled workforce – as set out in the National Strategy for Economic Transformation (NSET) – without colleges.

Mr Withers calls for "a revolution in how we think about learning", and parity of esteem for all types of learning and achievement, which we agree with and have long called for from the college sector. We need to create a culture founded on a core principle: all learning that contributes to a positive destination has parity of esteem. There is no 'golden pathway'; no learning journey that is more worthy than another. It is possible both to recognise the extraordinary value of our university sector in Scotland whilst at the same time moving to value all other types of educational and training as having equal value.

Colleges Scotland is sensitive to the structural changes suggested by Mr Withers, and that these may impact on the responsibilities of existing staff in existing organisations.

Given that any structural changes will take time to implement, it is vital that related work, such as Laying the Foundations, Art of the Possible, and Purpose and Principles, happens in parallel to ensure is a stable platform exists for the college sector to continue to deliver at an operational level.

In this paper we provide some initial views from the college sector, along with a RAG status, in order to allow ongoing dialogue with Scottish Government and other key stakeholders. Key for RAG status is as follows:

Red	Do not support the recommendation
Amber	Support the recommendation in principle and will proactively endorse publicly, whilst acknowledging further details are required
Green	Support the recommendation

It should be noted that where this paper makes reference to 'regions', we are using this in the context of regional-led skills planning, rather than in a government sense.

Comments on Recommendations

Recommendation	Comments	Role of the College Sector	RAG Status

Recommendation	Comments	Role of the College Sector	RAG Status
Operational Recommendation - New culture of leadership from Scottish Government	Colleges Scotland welcomes this. There has been discussion at the Education, Children and Young People's Committee around "what are colleges for, and what do they do?". The Scottish Government has completed its Purpose and Principles work which should articulate a vision for colleges. Colleges are a vital and critical provider of education and skills training in Scotland's tertiary sector, act as community anchors, and are the mechanism by which people in Scotland step out of poverty and into qualifications and work. College leaders want to "get back to basics", working closely with employers of all types, as the go-to providers in green skills and STEM. Mr Dey agrees that "We should all welcome the key role that colleges play in Scotland and agree that their continuing resilience is vital to Scotland's economy and society." If that is made clear to all stakeholders, and put into action, colleges could be in a better place in a timely manner. The Scottish Government should give equal recognition to the value of college education, to that of university education.	Colleges will: -Share outputs from the Art of the Possible workstream, articulating the sector's own views. -Pursue the 'Think Colleges First' principle -Engage with the Scottish Government on Cross-Portfolio working -Seek Cabinet level discussion on the college sector, in particular Cross-Portfolio opportunities Colleges are a key part of this wider vision. Ministers should – across all portfolios of the Scottish Government – understand what colleges do, what they can deliver now and, in the future, and commit to protecting and investing in them. In achieving its full potential, the sector would benefit from a more focused, priority-driven role. This could be achieved by streamlining funding sources	

Recommendation	Comments	Role of the College Sector	RAG Status

		so that colleges can operate more efficiently and effectively.	
Operational Recommendation - Define success and end the division in language and philosophy.	We agree with this recommendation. Decisive, national direction and leadership from the Scottish Government with a single strategic narrative and language on learning is vital. This should be underpinned by clarity about the expectations on different actors, clearer remits for national agencies and structures of governance which enable performance management, decision-making, and accountability, to happen at the right level. The outputs of the Art of the Possible workstream complement this recommendation, identifying a need for digital transformation to create commonality across the sector, to the benefit of both colleges and the learner.	Colleges will bring institutional commitment and pursue a national co-ordinated learning approach.

The college sector will play a key role in digital transformation by driving forward the outputs identified in the Art of the Possible workstream. Colleges will identify and agree how to implement standardised digital systems, and common standards for curriculum development which will help to ensure commonality in language and philosophy across the sector. | |
| Structural Recommendation - To move responsibility for national skills planning from Skills Development Scotland (SDS) and Scottish Funding Council (SFC) to the Scottish Government. | A national needs-based skills planning process which builds upon Scotland's vision for a wellbeing economy and offers clarity about the sectors and occupations where Scotland has national skills requirements would be beneficial. Ideally, this would result in data and information updated frequently and reliably, which is readily available, which identifies trends, risks, and opportunities, and, critically, joint forward planning for skills needs and gaps in particular geographies or industries. This planning should be done by working with industry to understand future needs. Scotland is in an international market for skills, | A key output identified through the Art of the Possible workstream is the need for the college sector to be the leading planner and provider of skills and modern apprenticeships, which would support the 'Think Colleges First' principle. A single point of skills planning would bring efficiencies to the current process and allow colleges greater autonomy around decision making and planning. | |

Recommendation	Comments	Role of the College Sector	RAG Status
	which is complicated because of the Brexit impact, and the planning function should be cognisant of international and emerging trends, competition for students and skilled workers, and international emerging industries which may impact Scotland's skills matrix. Colleges Scotland is sensitive to the structural changes suggested by Mr Withers, and that these may impact on the responsibilities of existing staff in existing organisations. National skills planning has to be transparent, as simple as possible, timely and evidence based.	The college sector must play a leading role in supporting the transition from the existing to the new for national skills planning. Colleges have the knowledge and expertise of managing this at an operational level, but also the vision required to deliver national skills planning more effectively. Colleges will continue to work with private training providers to deliver apprenticeships.	

Linked to Recommendation 3: Establish areas of strategic workforce opportunity and need and empower regional partners to develop their own solutions.	There is significant opportunity to build on the foundations that were created in reforming the sector to deliver regional colleges. The full potential of regional colleges to play a clear leadership role within regions which have greater autonomy and accountability has yet to be fully untapped. This is particularly notable in creating a system and environment where colleges and industry develop symbiotic relationships, supporting business to be more competitive and to have access to upskilling and reskilling opportunities at the point of need.

It is also critical to recognise that stronger collaboration between colleges and businesses must lead to greater investment by business in both the delivery and shape of college education and skills training provision. | The recent evaluation of the impacts of the FWDF, delivered by colleges, clearly shows the value created when colleges are supported to develop strategic partnerships with a wide range of businesses in their regions. The sector must play a lead role. | |

Recommendation	Comments	Role of the College Sector	RAG Status

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<td></td>
<td>Colleges add value at a regional level, and in recognition of this, there should be clear regional autonomy for identifying local skills needs based on regional economic strategies, and an established process for planning provision to better meet those needs. Recognition of the role of colleges, local authorities, and businesses (particularly SMEs) in shaping and leading this process with minimal, light touch, involvement from national bodies and government.

The Scottish Government should build this up firstly from engagement with employers and colleges. Clear, consistent opportunities for employer engagement and leadership that enable all types of businesses and industries to play a central role in shaping and guiding the provision and services in the system at every step – from standards and qualifications development to careers advice and guidance – would be beneficial.

Simple, well-signposted engagement routes for both employers and learners to access support relating to post-school learning and training so every business and individual knows where they need to go for advice and can access the information that they need would be ideal.</td>
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<td>Structural Recommendation – To establish a new single funding body, which brings together</td>
<td>We support this recommendation, in consultation of further details, as the introduction of a single funding body would reduce confusion in a complex landscape, where multiple</td>
<td>Colleges will play a leading role in building what the future looks like. We also have the operational understanding to test the impacts</td>
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Recommendation	Comments	Role of the College Sector	RAG Status
responsibility for all post-school learning and training funding functions from SFC, SDS and, potentially, the Student Awards Agency for Scotland (SAAS).	funding streams exist, each with their own cultures, rules and reporting mechanisms. It is essential that the implementation of a single funding body cuts down significantly on bureaucracy and provides the opportunity to respond flexibly to regional needs. The Art of the Possible workstream has also identified this as a key ask to Scottish Government. It is important that the funding model review work continues in the meantime, to support the smooth transition towards a single funding body.	on changes to guidance, policy, or direction. If we are involved and consulted from the start of such processes, we can support the shaping and implementation of any changes needed, both short term and long term.	
Operational Recommendation - Build a new model of funding for post-school learning provision, with simplicity and parity of esteem as core values.	Colleges Scotland supports this in principle, in consultation of further details. There needs to be parity of esteem across the post school system and equity of investment in resource. Equitable, streamlined, flexible public funding which prioritises learners and learning that will best deliver against intended outcomes is essential.	The college sector will continue to ensure that its provision is learner-centred and supports onward learning pathways or those wishing to return to learning later in life. Provision will also offer value for money. The college sector will work with the Scottish Government and Scottish Funding Council to establish an equitable funding landscape which facilitates innovation and focusses on impact. Parity of funding with Universities is key if Colleges are to deliver.	

Recommendation	Comments	Role of the College Sector	RAG Status
Operational Recommendation - Provide funding options for living costs for those who want to study part-time/flexibly.	We agree with this recommendation with the caveat that this must be additional funding and not re-allocation of existing funding to accommodate this change. The ability for any learner to access financial support for living costs up to the	The college sector will support all learners. We will promote any improved support package to those eligible and support them with any application process. This will help	

Recommendation	Comments	Role of the College Sector	RAG Status
	living wage equivalent would make part-time or flexible study more accessible and affordable. It is important to ensure that full and part-time learners are treated equitably to make education accessible for all. The future of education and skills training is likely to be characterised by an increase in FastTrack (lifetime access to education and skills training opportunities). Therefore, the funding of institutions and the funding to support students needs to reflect the changing nature of demand for education and skills training.	attract prospective learners to the college sector and enrich their student experience.	

Recommendation	Comments	Role of the College Sector	RAG Status
Structural Recommendation - To give the new qualifications body a clear remit for overseeing development and accreditation of all publicly funded post-school qualifications and the underpinning skills frameworks and occupational standards.	We agree with this recommendation, which is line with the outputs of the Hayward review. Any new body needs to be more agile and responsive to the needs of learners, communities, employers, and the economy. It is important to consider that the college sector currently deliver qualifications which are accredited by a range of awarding bodies.	The college sector will provide its view in discussions regarding the operational arrangements of transitioning to the new qualifications body. The college sector will use its collective knowledge and expertise to advise how changes should be implemented, ensuring as little disruption as possible to the learner and operational processes.	

Recommendation	Comments	Role of the College Sector	RAG Status

Operational Recommendation - Review post-school qualifications, using SCQF as a foundation, to create clear learning pathways underpinned by a universal skills framework and occupational standards and to drive further modularisation.	SCQF provides an opportunity to map pathways and evidence value of qualifications across, for example, a foundation apprenticeship and a higher. A clear, coherent, and recognisable learning pathway through the SCQF with articulation between awards at different levels and modularised qualifications that build over time would be the ideal. It is important that there is recognition of prior learning at all stages of a learner's journey through the education system.	The college sector will push for recognition of prior learning. This is often not well understood, and it is important that there is clear guidance on how this is applied across the tertiary education sector. The college sector will make greater use, and support others to do the same, of the SCQF framework to map a range of suitable pathways for learners. The college sector will use its collective knowledge and expertise to advise how changes should be implemented, ensuring as little disruption as possible to the learner and operational processes.	
Operational Recommendation - Develop a new, national, lifelong and digital training record to chart skills development through life, connecting into a revitalised careers service.	This is a sensible approach and supports a modular method of undertaking qualifications. It is important that achievements outside of the formal education system are recognised, i.e., those qualifications and awards that more deeply embed workintegrated learning or employability-related skills development. This is also in line with the Art of the Possible work stream, which recognises the need for standard e-portfolio systems which follow the student, and which are cognisant of, and complimentary to, future developments in qualifications and skills.	The college sector input will be necessary to implementing a standardised digital offering, and colleges have the expertise and vision required to drive this forward. Colleges will: -Implement standard e-portfolio systems which follow the learner through the entirety of their educational journey.	

Recommendation	Comments	Role of the College Sector	RAG Status
	There should be user research, including on accessibility, before any project is set around this. Adequate and sustainable investment should be provided for the creation, maintenance, and an improvement schedule for multi years if this product is to be created – this kind of record with permanence, personal data information security, and brand recognition with users and employees at the scale envisaged will need investment.		
Structural Recommendation - To substantively reform SDS to focus on the development of a national careers service, with a mission to embed careers advice and education within communities, educational settings and workplaces across Scotland.	We are supportive of an improved careers service offering, which provides personalised, and lifelong career support to all learners at any stage in their career journey.

This also supports the principles of the recent careers review. | Colleges will:

-Work with regional partners on provision of careers advice

-Undertake gap analysis

-Develop professionally trained staff | |

Operational Recommendation - Expand the remit of the existing DYW network to establish a national employer board and a series of regional employer boards which put employer views at the heart of skills planning, national strategy and the development of post-school learning system. In doing so the Scottish Apprenticeship Advisory	Colleges Scotland needs further detail on how this recommendation will be implemented, however, there is a potential opportunity for regional colleges to engage with the DYW network to meet employer needs and regional skills demand, supporting the principle of 'Think Colleges First'. The college sector should be involved in discussions regarding the operational arrangements of transitioning to new arrangements.	The college sector will ensure that the needs of employers are met through establishing strong working relationships via Regional Economic Partnerships and delivering on skills demand. Colleges will continue to fully engage in their local DYW group.

Recommendation	Comments	Role of the College Sector	RAG Status
Board (SAAB) should be wound up (Recommendation 12).	Any arrangement must also fully integrate the views of employers.		

Structural Recommendation - To give the enterprise agencies a clear remit for supporting businesses with workforce planning as an embedded and integrated part of business development and planning.	In whatever structure is decided by Scottish Government, the college sector would like to see the following principles delivered: • There is a standardised remit. • This clearly links to the planning process. • This offers regional autonomy. • This takes account of the green agenda and emerging technologies. The college sector should be part of these discussions to ensure the principles outlined are delivered. This would strengthen links between colleges and local businesses and allow skills needs to be better identified. This supports the 'Think Colleges First' principle, as the provider of choice for technical and professional skills.	The college sector will ensure that the needs of employers are met through establishing strong working relationships via Regional Economic Partnerships and delivering on skills demand, for example, via their Community Planning Partnerships. Colleges will work with employers to increase productivity and inward investment.	
Operational Recommendation Explore greater private sector investment in the post-school learning system and, in particular,	We support this recommendation. Colleges have established strong relationships with local businesses in their communities and this is an opportunity to work more collaboratively to the benefit of both the public and private sector.	This recommendation plays a key part in transitioning to the Wellbeing Economy, and realising the value the college sector brings to this.	
Recommendation	**Comments**	**Role of the College Sector**	**RAG Status**

in the provision of in-work learning opportunities	Businesses and industry sectors currently invest in colleges e.g., facilities and equipment. There is significant scope to explore how we build on this to create greater opportunities for private investment	The college sector will work closely with the employers to identify what in-work learning opportunities are in demand and can be delivered by the sector, to drive forward investment.	
Operational Recommendation A new, clear map should be developed to direct users into the system	This seems like a common-sense approach and should be linked to careers advice and recognition of equity of route. Scottish Government may wish to speak to Colleges Scotland and College Development Network about the research they have on perceptions of colleges and user journey experiences to maximise any move towards this. There should be market research and user research, including on accessibility, before any project is set around this. Adequate and sustainable investment should be provided for any changes – this kind of map at the scale envisaged will need investment.	The college sector can share its expertise about user journey and customer management experiences. This should be brought to any national offering – working with colleges on any changes.	
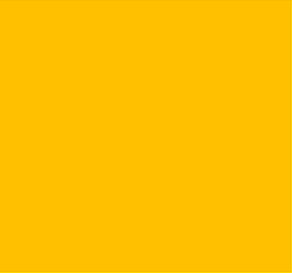
Colleges Scotland

July 2023

ANNEX C

Colleges Scotland Response to Purpose and Principles for Post-School Education, Research and Skills – July 2023

General Reflections

The Scottish Government published the [Purpose and Principles for post-school education,](#) [research and skills](#) on Wednesday 28 June 2023. This accepted a number of the recommendations in the recent Skills Delivery Landscape Review, which called for major change in the skills delivery system to improve outcomes for learners and employers, as well as other reports on educational reform.

The current structure of the college sector is not sustainable, and Purpose and Principles sets out some areas of change which might help to bring stability to Scotland's colleges.

Through the implementation of the Purpose and Principles the Scottish Government has to provide clarity for the college sector, which could in part be done by strongly reflecting and delivering on the recommendations as established by James Withers in the Skills Delivery Landscape Review. In doing so the Scottish Government must integrate and align the implementation of the recommendations of the Independent Review of Qualifications and Assessment.

Stability, and creating a sustainable future for colleges is vital, as students deserve to learn in colleges that are thriving, ambitious and strongly connected to industry, and re-enforce to businesses and the public sector that colleges are the go-to place for skills training and high-quality qualifications. On that basis, we need to ensure that the Scottish Government now provides a clear statement of intent for the college sector and establish a clear purpose for colleges, that take into account the sector's own position.

In this paper we provide some initial views from the college sector, along with a RAG status, in order to allow ongoing dialogue with Scottish Government and other key stakeholders. Key for RAG status is as follows:

Red	Do not support the recommendation
Amber	Support the recommendation in principle and will proactively endorse publicly, whilst acknowledging further details are required
Green	Support the recommendation

Colleges Scotland

July 2023

Principle	What Will Scottish Government Do?	What Will Colleges Do?	RAG Status

| Principle 1 - Transparent, Resilient and Trusted | • Lead the development of a new model of public funding for all forms of provision.
• Investigate the options to deliver a single funding body, including tuition and living cost support, paying regard to issues such as the status and scope of the body's responsibilities   Include
• responsibility for overseeing all publicly funded post school qualifications (except degrees) and the underpinning occupational standards and skills frameworks as part of the new qualifications body. | The college sector will ensure that its provision is learner-centred and offers value for money.

One potential funding model for colleges could be as follows:
• A level of core funding to cover fixed costs and resource following the student and on an equal basis throughout all parts of the system.
• Suitable and sustainable investment in infrastructure, digital and climate change mitigations.

Streamlined, flexible public funding which prioritises learners and learning that will best deliver against intended outcomes would be welcomed.

It is important to recognise that not all resource can follow the learner, there needs to be funds retained at an institutional level to cover core costs.

The introduction of a single funding body would reduce confusion in a complex landscape, where multiple funding streams exist, each with their own cultures, rules and reporting mechanisms. This single funding body could include an element to cover fixed costs/estate, whilst ensuring transparent funding for the learner.

The implementation of a single funding body would cut down significantly on bureaucracy and provide the opportunity to respond flexibly to regional needs. The | |

		Art of the Possible	

Principle	What Will Scottish Government Do?	What Will Colleges Do?	RAG Status

		workstream has also identified this as a key ask to Scottish Government.	
		There is an opportunity here to ensure the overall funding model strengthens school-college partnerships.	
		Colleges will strengthen their partnerships with local schools by ensuring improved funding equates to improved provision for learners, increasing the appeal of college to senior-phase pupils.	
		College-university partnerships must also be strengthened through equal funding at undergraduate level demonstrating parity of esteem and ensuring colleges can provide HNC/D students with the same quality of experience. This would include the careers support that universities provide.	
		The college sector broadly welcomes the recommendations of the Independent Review of Qualifications and Assessment Final Report. However, within the review there is a focus on schools, and we need to ensure that the work and position of colleges is recognised.	
		Colleges will play a leading role in building what the future looks like. We also have the operational understanding to test the impacts on changes to guidance, policy or direction. If we are involved and consulted from the start of such processes, we can	

		support the shaping and implementation	

Principle	What Will Scottish Government Do?	What Will Colleges Do?	RAG Status
		of any changes needed, both short term and long term.	
Principle 2 – Supportive and Equitable	• Within financial constraints, build on manifesto commitments and undertake a review of student support for part-time learners to improve the parity of support on offer, especially for those who are returning to learning and may have other caring or work-related responsibilities. • Develop a model for student support and engagement that takes account of all provision pathways and not just further and higher education, including considering apprenticeships and CLD.	The college sector will support all learners. We will promote any improved support package to those eligible and support them with any application process. This will help attract prospective learners to the college sector and enrich their student experience. Any redeveloped model must be supported through additional funding and not the reallocation of existing funding to accommodate this change. The ability for any learner to access financial support for living costs up to the living wage equivalent would make part-time or flexible study more accessible and affordable. It is important to ensure that full and part-time learners are treated equitably to make education accessible for all. Given the financial challenges many are facing through the cost of living crisis there is potential shift from full-time to part-time learning which has to be recognised.	

Principle 3 – High Quality	• Build on the work of the recommendations from the Careers Review to consider options for embedding careers advice and education within communities, educational settings and workplaces across Scotland; including options for future delivery of national careers services; • Build a comprehensive understanding of the postschool qualifications landscape to inform processes for developing, funding, assuring and	Colleges are supportive of an improved careers service offering, which provides personalised, and lifelong career support to all learners at any stage in their career journey. This also supports the principles of the recent careers review. The college sector has to be actively involved in the implementation of recommendations stemming from the review and in advising on	

Principle	What Will Scottish Government Do?	What Will Colleges Do?	RAG Status

	• approving publicly funded qualifications, and actions for wider reform of the qualifications landscape - including improved articulation with the senior phase. • Lead work to inform future approach to apprenticeship development and delivery as part of an integrated landscape of pathways. Work with institutions, public bodies and unions to ensure that staff at all levels are supported and empowered to deliver the high-quality work required by students, society and the wellbeing economy, in keeping with fair work principles.	changes to current practice, including with reference to the Gatsby benchmarks for career guidance. Colleges will: -Work with regional partners on provision of careers advice -Undertake gap analysis -Enhance the professional development and training of our staff The college sector will push for recognition of prior learning. This is often not well understood, and it is important that there is clear guidance on how this is applied across the tertiary education sector. The college sector will make greater use, and support others to do the same, of the SCQF framework to map a range of suitable pathways for learners. College sector leaders have developed the concept of skills-led regions, in which colleges will be the leading body in the planning and delivery of skills, including apprenticeships. The college sector will use its collective knowledge and expertise to advise how changes should be implemented, ensuring as little disruption as possible to the learner and operational processes.	

Principle	What Will Scottish Government Do?	What Will Colleges Do?	RAG Status
Principle 4 – Globally Respected	• Use and improve Study in Scotland materials as part of approach though NSET to talent attraction and retention. • Take forward a pilot international mobility programme co-designed with sector representatives. • Continue to seek to influence the UK Government to secure future association to Horizon Europe and other EU research programmes and ensure Scottish interests are protected regardless of outcome.	Colleges will continue to evidence their role as providers of international education opportunities for learners, including for those learners from the most-deprived communities in Scotland. It must be ensured that colleges are able to access any international/EU staff and student exchanges to ensure colleges are globally respected. Colleges need to be involved in the planning and developments in each of the respective Scottish Government workstreams. Successful inward investment must be underpinned by a skilled workforce, delivered by colleges. Colleges are critical to the delivery of this skilled workforce, and the delivery of future skills pipelines in key growth areas for Scotland. Colleges should play a stronger role in innovation, and in particular in distilling innovation practices with the employers they engage with, which is differs from the research carried out by universities. This unique role in innovation must be recognised and strengthened.	

| Principle 5 – Agile and Responsive | • Take responsibility for skills planning – developing an approach at a national level that works with partners to set clear priorities. Enhance and embed the role of employers in shaping system planning priorities, pathways and provision.
• This will be supported by a regional approach that builds on existing regional economic partnerships | A key output identified through the Art of the Possible workstream is the need for the college sector to be the leading planner and provider of skills and modern apprenticeships, which would support the 'Think Colleges First' principle. A single point of skills planning would bring efficiencies to the current process and allow | |
| **Principle** | **What Will Scottish Government Do?** | **What Will Colleges Do?** | **RAG Status** |

| | and has employers and local providers, in particular colleges, at the centre. | colleges greater autonomy around decision making and planning.

The college sector will play a leading role in supporting the transition from the existing to the new for national skills planning. Colleges have the knowledge and expertise of managing this at an operational level, but also the vision required to deliver national skills planning more effectively.

Colleges will work closely with their local SMEs and key industry partners to establish their skills needs and use FWDF funding to deliver responsive and tailored training. This will help to upskill workforces and increase business productivity, thus ensuring greater impact in their communities.

Colleges will work with SMEs and key industry partners to:
-Increase employer engagement
-Progress innovation
-Identify regional issues, needs and gaps The college sector will ensure that the needs of employers are met through establishing strong working relationships and delivering on skills demand, via their Community Planning Partnerships. | |
|---|---|---|---|

Colleges Scotland

July 2023

BOARD OF MANAGEMENT

DATE	26 September 2023
TITLE OF REPORT	Audit Scotland Report
REFERENCE	16
AUTHOR AND CONTACT DETAILS	Stella McManus Stella.mcmanus@slc.ac.uk
PURPOSE:	To provide members with a summary of the Audit Scotland report: Scotland's Colleges 2023 Report.
KEY RECOMMENDATIONS/ DECISIONS:	• Members are recommended to note and question the contents of this report.
RISK	• That the pace of change does not happen quickly enough in the sector and all agencies do not work together in the best interests of the sector.
RELEVANT STRATEGIC AIM:	• Successful Students • Highest Quality Education and Support • Sustainable Behaviours
SUMMARY OF REPORT:	Audit Scotland published its Scotland's Colleges 2023 Report on 7 September and it very clearly highlighted the significant risks facing the sector which include: • a funding reduction of 8.5% in real terms between 2021/22 and 2023/24; • rising staff costs being colleges biggest financial pressure; and • an urgent need for significant changes to the sector as recommended by the reforms to be implemented as a matter of urgency.

1. INTRODUCTION

1.1 The purpose of this report is to provide members with information included the Audit Scotland report, "Scotland's Colleges 2023 Report."

2. AUDIT SCOTLAND REPORT KEY MESSAGES

2.1 Audit Scotland published its ["Scotland's Colleges 2023 Report"](#) on 7 September 2023. The report reinforced how Scotland's colleges are vital to learners and local communities, but delivers three key messages, which are noted below:

2.1.1 Risks to the college sector's financial sustainability have increased since we reported in 2022. Rising staffing costs are colleges' biggest financial pressure;

2.1.2 The Scottish Government's funding for the sector has reduced by 8.5 per cent in real terms between 2021/22 and 2023/24, while the sector's costs have increased. Effective, affordable workforce planning is now a greater than ever priority and challenge for colleges; and

2.1.3 Significant changes to how the college sector operates have been recommended by recent reviews. However, the Scottish Government and the Scottish Funding Council urgently need to build on their ongoing work to help colleges plan for change now and make best use of available funding so that they are sustainable for the future.

2.2 The report recognised the dependency of colleges on Scottish Government funding as well as the following risk areas which include;

2.2.1 inflation, interest rates and energy costs;

2.2.2 the investment required to achieve public sector net zero;

2.2.3 targets, especially in relation to the college estate;

2.2.4 investment required to invest in digital;

2.2.5 difficulties in attracting and retaining students and staff;

2.2.6 the requirement for colleges to self-fund staff restructuring and voluntary severance package costs;

2.2.7 competition from private sector training providers;

2.2.8 competition from some universities;

2.2.9 the challenges of raising income from non-teaching activities; and

2.2.10 the impact of cost efficiencies on staff wellbeing and the student experience.

3. EQUALTIES

3.1 There are no new issues for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report. However, if the pace of change does not happen quickly enough then the most vulnerable in the community could be at risk.

4. RISK

4.1 That the pace of change does not happen quickly enough in the sector and all agencies do not work together in the best interests of the sector.

5. RECOMMENDATIONS

5.1 Members are recommended to note and question the contents of this report.

South Lanarkshire College

East Kilbride

BOARD OF MANAGEMENT

DATE	26 September 2023
TITLE OF REPORT	Labour Market Intelligence Paper
REFERENCE	17
AUTHOR AND CONTACT DETAILS	Stella McManus Stella.mcmanus@slc.ac.uk
PURPOSE:	To provide members with the report on labour market intelligence following the SQW presentation at the June 2023 Board of Management meeting.
KEY RECOMMENDATIONS/ DECISIONS:	• Members are recommended to note and question the contents of the SQW paper.
RISK	• That the College does not use labour market intelligence appropriately to establish the strategic direction of the College.
RELEVANT STRATEGIC AIM:	• Successful Students • Highest Quality Education and Support • Sustainable Behaviours

SUMMARY OF REPORT:	The paper focussed on the demographics of South Lanarkshire, labour market supply, demand and growth sectors It then considered wider trends and drivers before finally concluding with a number of challenges and opportunities presented in the paper. These include: • a growth in 16-18 years olds; • replacement demand for Health and Social Care and Wholesale and Retail workers; • South and North Lanarkshire have commonalities, for example, the high proportions of people employed in Health & Social Care and Wholesale & Retail across both areas suggests areas of commonality and potential collaboration; • The population of South Lanarkshire is not sufficiently skilled to meet workforce requirements, so opportunities for industry upskilling are evident which requires a clear business development strategy; and • the College's expertise in construction and related provision may be particular strengths to build on given the likely demands which will come to form the transition to net zero. This information will be used to inform the strategic direction of the College as well as providing additional intelligence for
	when the Regional Transition Group is re-established to discuss the parameters for dissolution.

1. INTRODUCTION

1.1 The College commissioned SQW, a company specialising in research, analysis and advice in economic and social development to carry out an analysis of the local labour market in South Lanarkshire, to assess trends and identify key opportunities for the College. This paper builds on the previous presentation to the Board of Management in June 2023.

2. OVERVIEW

2.1 The paper focussed on the demographics of South Lanarkshire, with factors such being the fifth largest local authority in Scotland, having an older population than North Lanarkshire and Scotland in 2021, population changes and projections as well as travel to learn patterns.

2.2 It also considered the labour supply and demand, with high employment rates being seen for 16-64 year old and a sharp decline in economic inactivity since 2017. For labour demand South Lanarkshire had a higher job growth rate than other areas. More than a third of jobs in the area are in Health and Social Care or in the Wholesale and Retail sectors. There is a clear replacement demand across all sectors, however, more so in the sectors previously mentioned.

2.3 Accommodation, Construction, Health, and Arts sectors show consistent growth over to 2025 and beyond, and a need to replace workers, each generating around 3,000 – 3,500 job openings. Around half of the 39,300 future job openings are forecast to require people qualified to SCQF 7 or above. However, the number of openings requiring Level 4 or below is forecast to be around 10%, emphasising the challenges coming for those with low or no qualifications.

3. WIDER TRENDS

3.1 South Lanarkshire Council's overarching priorities for the next five years are detailed in the Connect Plan, however, it is noticeable that the only employment sector mentioned explicitly is the promotion of leisure, tourism and culture. Glasgow City Region City Deal will create employment opportunities for local residents. Much of the Deal is focused on providing sites and infrastructure to enable population and employment growth.

3.2 A further key driver of economic change in the coming years is the transition to net zero. The Climate Emergency Skills Action Plan (CESAP) sets out three types of opportunity, with again there being some prominence for construction related employment:

   3.2.1 New and emerging jobs that relate directly to the transition (e.g. hydrogen cell technicians, carbon monitoring technicians and urban miners, heating engineers)

   3.2.2 Jobs that will need enhanced skills or competencies to transition (e.g.

   architects and environmental consultants)

3.2.3 Existing jobs needed in greater numbers in the transition (e.g. insulation installers, energy assessors and designers and multiskilled on-site operatives.)

4. CHALLENGES AND OPPORTUNITIES

4.1 South Lanarkshire is the fifth largest local authority in Scotland, and there are a number of challenge and opportunities presented in the paper. These include:

4.1.1 a growth in 16-18 years olds;

4.1.2 replacement demand for Health and Social Care and Wholesale and Retail workers;

4.1.3 South and North Lanarkshire have commonalities, for example, the high proportions of people employed in Health & Social Care and Wholesale & Retail across both areas suggests areas of commonality and potential collaboration;

4.1.4 The population of South Lanarkshire is not sufficiently skilled to meet workforce requirements, so opportunities for industry upskilling are evident which requires a clear business development strategy; and

4.1.5 the College's expertise in construction and related provision may be particular strengths to build on given the likely demands which will come to form the transition to net zero.

5. NEXT STEPS

5.1 At the Board Strategy day this paper was provided for additional reading for board members to consider during the strategy on a page task. This information will be used to help inform the strategic direction of the College, including an appropriate business development strategy as well as informing the strategic curriculum direction for the 2024-25 academic year.

5.2 In addition, it allows provides additional intelligence for when the Regional Transition Group is re-established to discuss the parameters for dissolution.

6. EQUALTIES

7.1 The paper highlights the need to ensure that there is appropriate education and skills training for people form multiple areas of deprivation.

7. RISK

7.1 That the College does not use labour market intelligence appropriately to establish the strategic direction of the College

8. RECOMMENDATIONS
8.1 Members are recommended to:

South Lanarkshire College

Labour market analysis

8.1.1 Members are recommended to note and question the contents of the SQW paper.

Introduction

1. This paper has been developed by SQW in response to a brief developed by South Lanarkshire College to analyse its local labour market. The key asks of the brief were to: assess labour market trends and differentiators; to develop a narrative about the area; and identify key opportunities and challenges for the college. The findings in this paper build on a previous presentation to the College Board. The paper has five analysis sections covering: demographics; labour supply, labour demand; wider trends and drivers and opportunities and challenges.

2. A full set of data tables and charts, including all data sources, is available as a separate document. Throughout we have looked at South Lanarkshire in the context of North Lanarkshire, Glasgow City Region and Scotland.

Demographics

3. **South Lanarkshire is a large geographic area and is the 5th largest local authority by population in Scotland**. It is home to 5.9% of the Scottish population and 17.4% of the region's population. In 2021 there were 322,630 people living in South Lanarkshire. That is just 10,000 fewer people than North Lanarkshire.

4. **South Lanarkshire had an older population than North Lanarkshire and Scotland in 2021**. It has a higher share of its population in all age bands from age 45 upwards. Young people (aged under 15) also make up a higher proportion of the population in South Lanarkshire in comparison to Scotland.

5. The number of young people in the area approaching the age when they may go to college appears to be growing and could be expected to grow in the coming years as those currently aged 10 and over continue to age. For example, as shown below, in 2021 there were more 15

years olds than 16 year olds, and more 14 year old than 15 years olds. This trend appears fairly stable and positive for the college for the next five years or so. Indeed, the last few years show a particular dip.

Figure 1: South Lanarkshire population by age 10- 24
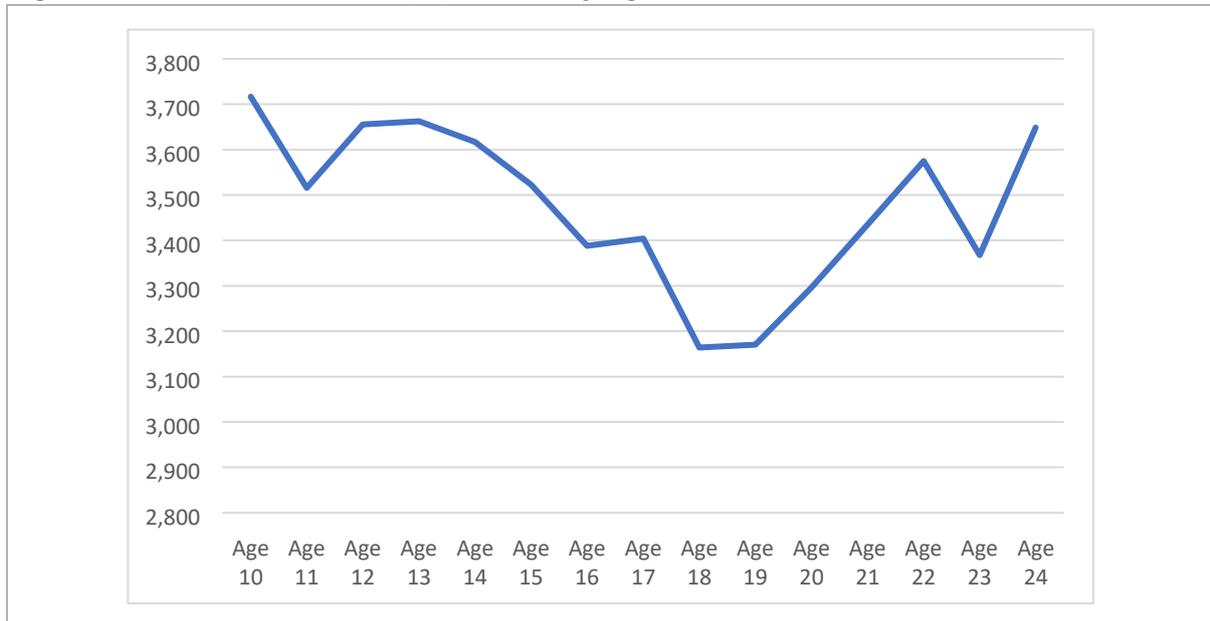
6. Population growth since 2017 was higher in South Lanarkshire than the comparator areas of North Lanarkshire, Glasgow City Region and Scotland. This growth is expected to continue, with much greater growth than projected for North Lanarkshire.

Figure 2: Population change and projections
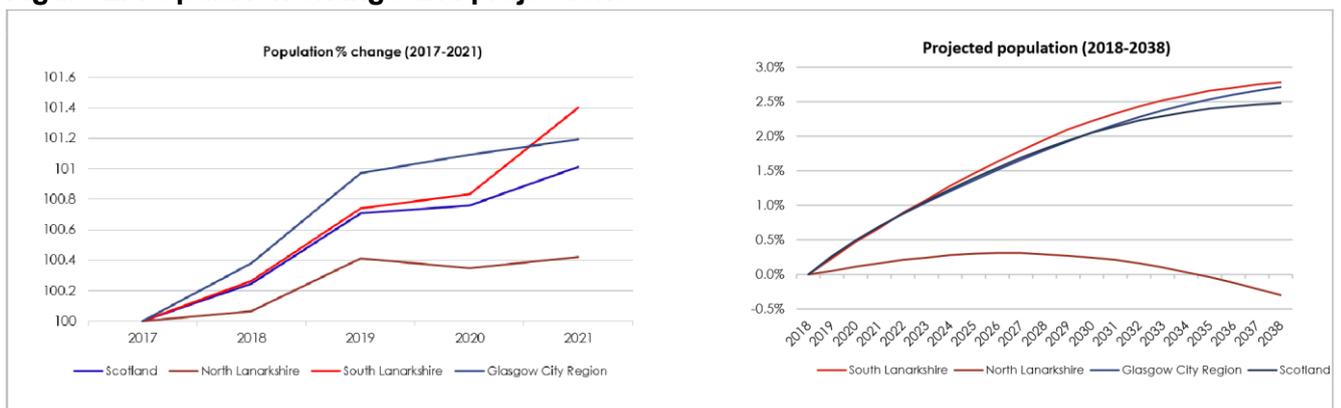
7. **The growth in population is driven largely by migration.** Deaths of residents are usually higher than births, with around four deaths for every three births. In the period 2020-21, the level of in-migration in South Lanarkshire was 11,370, a 39.0% increase from 8,180 in the period 2019-20, with out-migration of 8,700. This net in-migration figure has been growing since 2015. In 2020-21, South Lanarkshire had the 2nd highest level of net migration out of the 32

council areas in Scotland, with a net total of 2,660 people. Of this net figure 85% was due to movement within Scotland.

8. **The great majority of South Lanarkshire's population lives in urban areas or 'accessible small towns[1]'**, as defined by National Records of Scotland. Ten percent of the population live in rural areas, especially in the south, with most of this group also defined as having good levels of access to the next largest settlement. The population growth described above has been focussed in the north of the area, especially around the existing larger towns.

9. **The levels of access to the main facilities of South Lanarkshire College is much less good**. As shown in Figure , those outside the north of the area have a significant drive to reach the main campus and it is very difficult to access by public transport. There is a second facility in Lanark, offering a small range of courses, which has similar access issues.

Figure 2: Access to main campus

Drive time to access East Kilbride

Public transport access to East Kilbride

- 10 minute
- 20 minute
- 30 minute

- 10 minutes
- 20 minutes
- 30 minutes
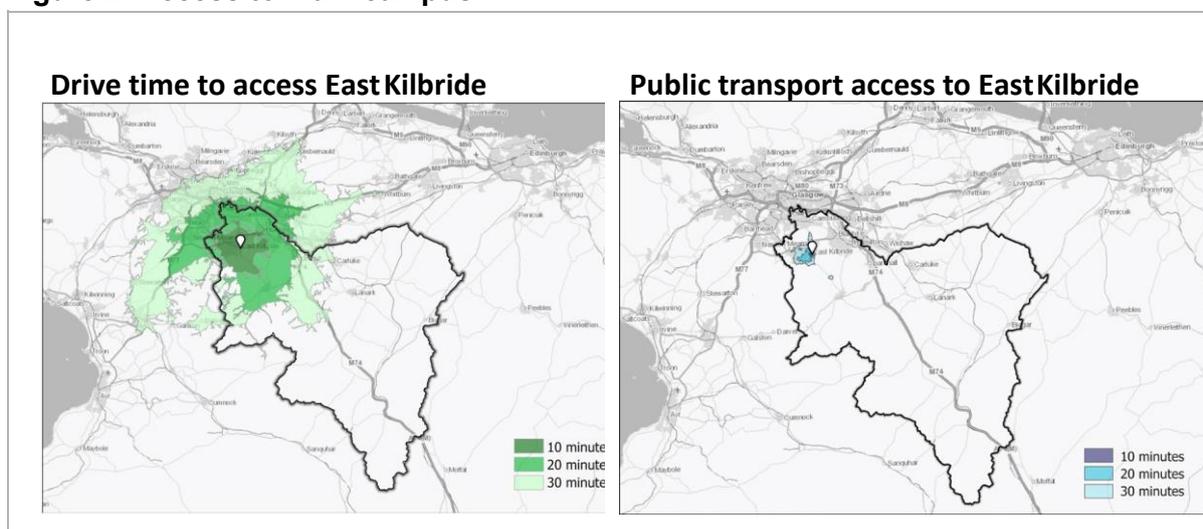
Source: Source: SQW Analysis of TravelTime data. Data: TravelTime, Ordinance Survey, Esri

10. These issues of access are important for who the college can attract. **While over 70% of students come from South Lanarkshire, almost one third of learners come from elsewhere**. The next biggest catchment areas are Glasgow (13.7%) and North Lanarkshire (12.3%) which together account for over one quarter of the overall provision.

11. **Four of the top six curriculum areas studied by non-South Lanarkshire residents relate to construction**. These are also the courses where 'incomers' make up a higher proportion of learners, suggesting a college strength.

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[1] Settlements of 3,000 to 9,999 people, and within a 30 minute drive time of a Settlement of 10,000 or more

Labour supply

12. **South Lanarkshire has a high employment rate of 16-64 year olds**. At 79.8% it is higher than the national rate of 74.4%, the Glasgow City Region rate of 73.3% and North Lanarkshire at 71.3%. The employment rate has been growing steadily since 2017, when it was 75%.

13. However, there were still 34,500 people in South Lanarkshire who were economically inactive in 2022, of which 63% were women and 36% were men. **Of those who were economically inactive in 2022 in South Lanarkshire, 6,000 people wanted a job** (12% of inactive men, and 21% of inactive women).

14. **There has been a sharp decline in economic inactivity in South Lanarkshire since 2017** (10,700), in stark contrast to an increase in North Lanarkshire. The decline has been driven by a drop in the number of people who are long term sick (from 4,700), as well as a fall in those who are retired (from 3,200 people). There are also 2,220 fewer students in South Lanarkshire in 2022 compared to 2017, although South Lanarkshire have the third highest employment rate of 16-24 year olds in Scotland. Most of the decline in inactivity is among economically inactive men (6,500).

15. **In 2021 South Lanarkshire had a fairly well qualified population aged 16-64**. Those qualified to SCQF 7 – 12 made up 40% of all people aged 16-64. This is similar to North Lanarkshire, but well below the Scottish figure of 50%. Conversely, South Lanarkshire has a larger percentage of its population qualified to SCQF 4-6.

16. **Older people in South Lanarkshire are most likely to have low or no qualifications**. For example, the largest groups with no qualifications are those aged 40-49 (2,600) and 50-64 (11,400).

Labour demand

17. In 2021 there were 118,000 employee jobs in South Lanarkshire (excluding self-employed, Government supported trainees, HM Forces and farm-based agriculture jobs). This is up from 115,000 in 2017 and 116,000 in 2019. **The rate of growth in jobs in South Lanarkshire was higher than the other geographies and in stark contrast to a decline in North Lanarkshire** (Figure).

Figure 3: Percentage change in employee jobs
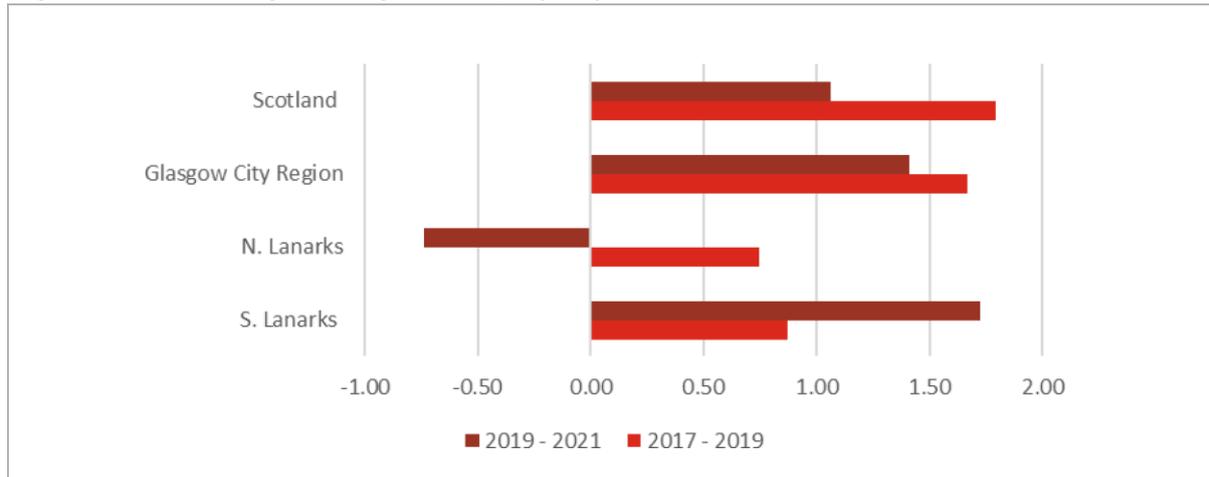
18. **More than a third of jobs (42,000) in South Lanarkshire are in Health & Social Work or Wholesale & Retail sectors**, the former seeing an increase of almost 5 percentage points in share of employee jobs since 2017.

19. While the ranking of jobs by industry across the geographies is similar, **there is a greater proportion of employee jobs in Health & Social Work or Wholesale & Retail sectors in South Lanarkshire** (around an additional 2 percentage points in each). South Lanarkshire also has a higher proportion of employee jobs in Education and Accommodation & Food compared to North Lanarkshire.

20. **South Lanarkshire has a higher share of people working in Sales, Associate Professional, Skilled Trade and Caring, Leisure & Other Service occupations compared to the other areas**. This likely drives the fact that it also has a slightly higher proportion of employee jobs which are part-time (35%) compared to other geographies.

21. **The gross weekly pay of all people working full-time in South Lanarkshire is £632.40, below that of North Lanarkshire and Scotland**. This, again, might reflect the mix of sectors and jobs locally.

22. **This lower level of earning appears to be driven by lower weekly earnings for full time female workers**. While earnings for men are above the average for the other areas, earnings for women are considerably below, at 97.7% of the Scottish average and 93.7% of the North Lanarkshire average.

23. Those who commute out of South Lanarkshire to work have on average higher earnings than those who work locally, £652.50. Indeed, **on average, South Lanarkshire residents in full time work earn above the Scottish average**. Interestingly, looking at full time earnings by residence shows that men from South Lanarkshire earn less on average than those from North Lanarkshire, while women earn more.

Figure 3: Full time earnings
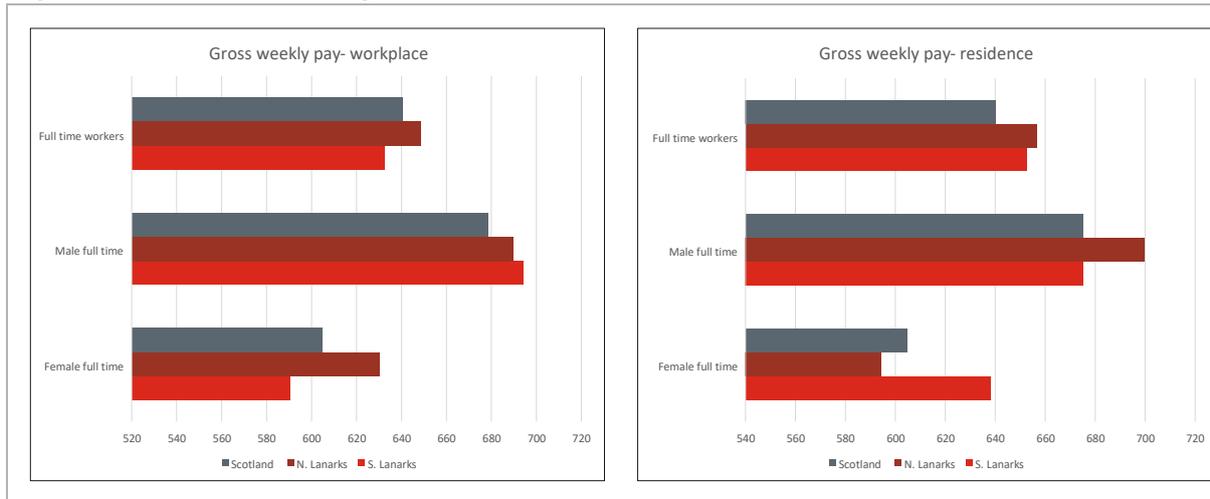
Gross weekly pay- workplace

Gross weekly pay- residence

Future employment forecasts

24. **The number of people in employment in South Lanarkshire is forecast by Oxford Economics to rise** from 114,000 in 2022 to 115,900 in 2025 and 116,400 in 2032, equating to a 1.7% increase between 2022 and 2025 and at a slowing rate of 0.4% between 2025 and 2032.

25. These rates of change are higher than forecast for the City Region or Scotland in the short term, but lower than these geographies from 2025.

26. **The number of people in employment in South Lanarkshire is forecast to overtake the number of people employed in North Lanarkshire** from around 2025, and be almost 2,000 higher by 2032.

Figure 4: Forecast employment change
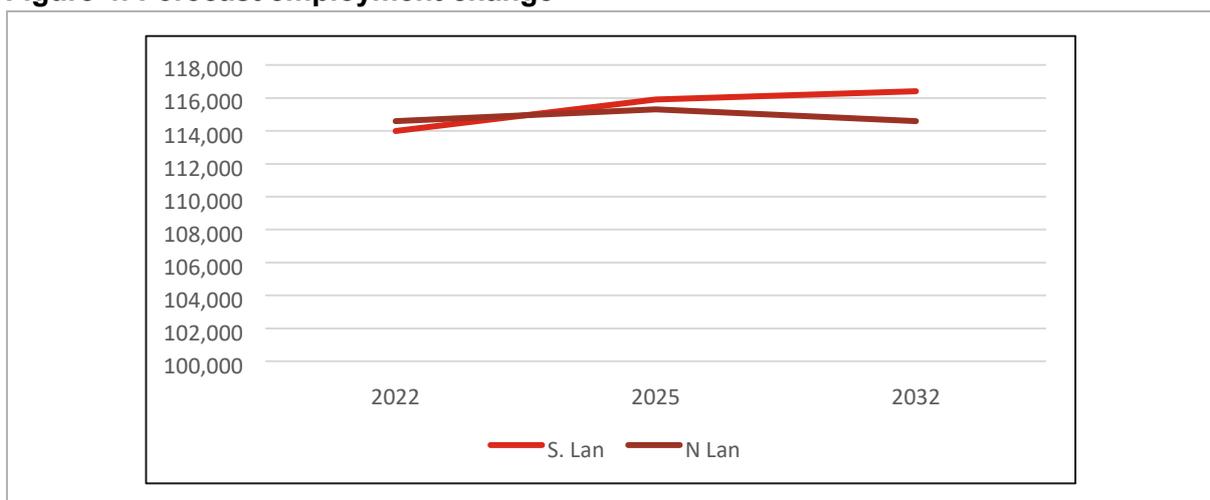
27. While some sectors will grow and others decline, the need to replace workers means there is still a need to recruit to new job openings in all sectors. **Despite a small longer-term forecast**

employment decline, **Wholesale & Retail has highest overall total requirements (8,200 job openings).** This is followed by Health & Social Work (6,200).

28. **Accommodation, Construction, Health, and Arts sectors show consistent growth** over the two time periods, and a need to replace workers, each generating around 3,000 – 3,500 job openings.

29. Around half of the 39,300 future job openings are forecast to require people qualified to SCQF 7 or above. However, **the number of openings requiring Level 4 or below is forecast to be around 10%**, emphasising the challenges coming for those with low or no qualifications.

Wider trends and drivers

30. South Lanarkshire Council's overarching priorities for the next five years are detailed in the Connect Plan. It is written at high level, setting out aspiration rather than detailed actions. There are potential hooks in there for the college around improving employment prospects and improving digital skills. It is also noticeable that the only employment sector mentioned explicitly is the promotion of leisure, tourism and culture.

31. We would also anticipate the Glasgow City Region City Deal will create employment opportunities for local residents. Much of the Deal is focused on providing sites and infrastructure to enable population and employment growth. As such, **delivery of the Deal is most likely to relate to construction**, with other jobs coming forward as employers across the City Region take advantage of the new sites and space for expansion.

32. **A further key driver of economic change in the coming years is the transition to net zero**. The Climate Emergency Skills Action Plan (CESAP) sets out three types of opportunity, with again there being some prominence for construction related employment:

    • New and emerging jobs that relate directly to the transition (e.g. hydrogen cell technicians, carbon monitoring technicians and urban miners, heating engineers)

    • Jobs that will need enhanced skills or competencies to transition (e.g. architects and environmental consultants)

    • Existing jobs needed in greater numbers in the transition (e.g. insulation installers, energy assessors and designers and multiskilled on-site operatives.)

33. The job numbers quoted around the transition are striking. For example, CESAP says that **around one in five jobs in Scotland may be affected positively or negatively by a transition to net zero emissions, with one in ten jobs necessitating re-skilling.**

34. From a different perspective, the **Heat In Buildings Strategy estimates this will support 16,400 jobs by the late 2020s (1m homes and 50,000 other buildings), with demand for these jobs likely to be based close to where work is being done**. The figures for the lifetime of all ScotWind windfarms is expected to be 118,000 direct FTE years of

employment generated. Many of these manufacturing jobs may not come to Scotland, although some will, and operations and maintenance is expected to be based close to the sites.

35. A UK-wide report by the Climate Change Committee suggested that demand for new skills may require a local policy response, because the impact is likely to be rapid and dispersed geographically. This is particularly the case for Building construction and retrofit, which is also likely to impact more on SMEs. Education (i.e. training the trainers) and at a slower pace, Public transport and Agriculture (e.g., farmers may need support to transition skills towards low – carbon farming or reforestation) are also identified as likely to need a dispersed policy response. Carbon Capture and Storage, Hydrogen and EV and battery manufacturing are identified as growth requiring a *concentrated* response, but might be important to SLC if manufacturers are currently in, or locate to, the area.

Challenges and opportunities for SLC

36. In this section, we conclude by drawing together the key challenges and opportunities for the College, as identified in the paper.

37. **The growth in the number of people reaching 16-18 is a natural opportunity for growth and, with the right provision**. It appears there has been a particular dip in young people locally in the last few years, but that this trend has now changed and the number of people reaching college age will grow over the next few years.

38. **The growth and need to replace workers in Health & Social Care and Wholesale & Retail is significant in the area and should be a focus of provision and engagement activities** with the region's employers.

39. South and North Lanarkshire have many similarities, notably in overall size and some aspects of the sectoral composition of their workforces (e.g. both areas have higher shares of employment in Manufacturing and Construction compared to Glasgow City Region and Scotland, and, correspondingly, lower shares in Admin services, Finance and Information and Comms). **The high proportions of people employed in Health & Social Care and Wholesale & Retail across both areas suggests areas of commonality and potential collaboration, if travel for learners allows, although as we have demonstrated above travel, especially by public transport, can be challenging across the area**.

40. The available data suggest there are different types of Manufacturing in South Lanarkshire and North Lanarkshire, which may require a different skills response. There is probably less opportunity for collaboration in this sector at a detailed skill level.

41. While there is forecast to be remain a small proportion of job openings which require low or no qualifications, overall, the demand for higher skilled people is growing, with over a third of job openings forecast to require SFQ5 or SFQ6 qualifications and a half at levels higher than that. Current levels of qualification in the population (para 14-15) fall slightly below this. **While the**

working age population will become more qualified as older, less qualified people, leave the labour market, the aggregate data suggest a possibility that the population of South Lanarkshire may not be sufficiently skilled to meet the forecast requirements.

42. There are many opportunities for the College to support achievement of South Lanarkshire's Council's Connect Plan and Glasgow City Region's City Deal and SLC's engagement with partners should **focus on being a provider of choice for the skills priorities identified in the range of economic development plans, such as employability skills, construction and customer service skills.**

43. **The College's expertise in construction and related provision may be particular strengths to build on given the likely demands which will come form the transition to net zero.** Continued engagement with partners and employers should ensure the College is well positioned to deliver the right training at the right time, noting the uncertainties around what will be needed and especially when that demand will come forward.

FINANCE AND RESOURCES COMMITTEE

Minutes of Meeting of the Finance and Resources Committee on Monday 21st August 2023 at 1730 hours via Microsoft Teams and in the Boardroom at South Lanarkshire College

Present	In attendance
D Morrison (Acting Chair)	P Hutchinson (Chairing Member)
S McManus (Principal)	K McAllister (Head of Finance)
S Coutts (Board Member Elect)	E McKechnie (Financial Accountant)
P Scott – Governance Professional - acting as Minute Secretary	

01	**Apologies for Absence**
	C Gibb (Committee Chair)
	In the absence of the Committee Chair the meeting nominated D Morrison as Acting Chair.
	As the meeting was technically inquorate given that S Coutts would not be confirmed as a Board Member until 22nd August the meeting proceeded in accordance with Standing Orders and any decisions would be considered for ratification at the next appropriate

	meeting.	
02	**Declaration of any potential Conflicts of Interest in relation to any Agenda items** None received - ~~the Principal~~ D Morrison had a potential declaration of interest given h~~is~~er SFC advisory role in respect of college infrastructures but no conflict was anticipated	
03	**Minutes of Previous Meetings** 18 May 2023 These were duly adopted as an accurate record	
04	**Matters Arising from the Previous Meeting** The Principal confirmed that the Action Point under Item 0.7 of the minute had been overtaken but there were no other matters arising not covered by other business	
05	**Matters for Approval**	
	5.1 Actuarial assumptions – accounts 2022/23 The Committee considered and agreed the actuarial assumptions contained in the paper as presented by the Financial Accountant and referred to for its detailed terms and especially noted the production of pension asset/liability valuations by Hymans Robertson for inclusion within the 2022-23 financial statements. It was significant that the external audit service was content with the appropriateness of the factors and indices used	

		5.2 Financial Forecast Report (FFR) 2022/3 to 2025/26
		The Committee noted
		• That the FFR reflects the management forecast figures which were presented to the Board in June 2023 in respect of the Budget 2023-24 and this paper is thus for information only.
		• The comments made and the financial and cash position at the end of the period of review.
		The FFR for the College however painted a bleak picture against the backdrop of a reduction in committed funding from the Scottish Funding Council and the pressure placed on cashflow across the Scottish college sector over the forthcoming period. With funding cuts and activity target reductions, the College is forecasting deficits for the next 3 years:
		2023-24: £761k deficit 2024-25: £1,904k deficit 2025-26: £2,443k deficit
		It was especially noted that there was a salary settlement outstanding for September 2022 and a further settlement for September 2023 now to be addressed. Should the settlement(s) be above the level assumed by the College, the deficits intimated would be higher.
		Job Evaluation remained an ongoing issue and legal advice had been taken on the College's position re the process going forward. The Committee noted that whilst it was intended that any Job Evaluation settlement should be funded in its entirety by SFC, the College had been accruing an unfunded element in its accounts annually in case there was an unfunded College liability. It was also noted that the Job Evaluation exercise was based on an implementation date of 1st September 2018.
06		**Matters for Discussion**

6.1 Quarter 4 Management Accounts

The Committee noted the financial position for the year and the narrative that supports the figures and the cashflow situation as notified to Scottish Funding Council and that this represented good progress

It was especially noted that: -

    The College is confident of meeting its credit target of 48,812 and thus there is no potential for clawback. In that regard, it was observed that the Funding Council has allowed for more flexibility with a 2% negative or positive tolerance being applied in any case. That said, the College aim is always to achieve target.

• The forecast deficit has risen from £503k as at Quarter 3 to £691k at Quarter 4. The main contributors to the net increase are the additional costs of clearing the backlog of assessment in the Construction Area (approx. £100k) and an increase in non-salary spend in academic areas as a whole with, in particular, prices of raw materials in the Construction and Hospitality areas rising significantly. This will be the subject of further review as some of the expenditure will relate to 2023/24 and can thus be recorded as Prepayments.

• There is no indication that the salary award claims from 1st September 2022 will be settled in the near future; the forecast therefore reflects the award as contained within the budget.

There was also detailed discussion of the reality that whilst there was seen to be a sterling job of doing more with less, the challenge ahead would be in creating additional income generation. The Chairing Member observed that it was good to see successful applications for grants, this did not alleviate the clear reduction in income from central sources.

At all costs, the Committee was determined that there would be no adverse impact on the student body.

6.2 Cashflow Report

This was considered alongside Item 6.1.

The figures are referred to for their detailed terms. These appeared healthy but could give a false picture as some funds held were committed but currently unspent. The Committee however, noted that there was daily cash monitoring so that the true picture was always fully understood.

6.3 Quarterly Update on Procurement

The Committee noted the report as submitted and which is referred to for its detailed terms.

The Committee noted in particular that significant progress was being made in respect of procurement processing and procedures, the detail of contracts that have been either completed or put out to tender and the savings made since the last report and the contracts placed. Key points noted were:

- 6 contracts have been placed of which two were funded directly by the Scottish Government following successful bids by the College.
- A significant saving of £77k over 4 years was made via the replacement of the College's telephony system.
- The additional resource provided by APUC is allowing the College to address the replacement of major contracts and services, e.g., the HR system, telephony, the provision of refectory services, the replacement of the College's enrolment / student record system.

6.4 Quarterly Facilities Update

The Committee noted the update, which is referred to for its detailed terms and noted in general the progress on work taking place in the College, the terms of the contract monitoring review and the sustainability charts reporting on energy, waste, water and gas.

The Committee noted in particular that: -.

- The Intrusive External Building Survey is complete, and the College is putting together a 4-year work plan.
- Workroom spaces have been adapted to make them more user friendly.
- Further capital work is being planned with the use of architects to consider the space utilisation in the building, with the next focus on the reception area.
- An update on the College's service providers and their Red Amber Green (RAG) status and noting that some providers are part of the procurement processes in train.
- The College had received £10,000 of funding from the Water Efficiency Fund to use for projects such as waterless urinals.

6.5 Accounts Guidance Documents:

The following documents informed the discussions of the Committee and were noted accordingly

6.5.1 Accounts Guidance issued by SFC
6.5.2 Accounts Guidance Notes
6.5.3 Good Practice Note issued by Audit Scotland

6.6 Draft Annual workplan of the Committee

The committee considered and approved the Annual Workplan which had fleshed out the outline provided by the Governance Professional,

This appeared comprehensive but it was understood that of necessity any work plan had to be a dynamic document adapting to developing circumstances.

07	**Matters for Information**
	7.1 Consolidated Regional Accounts 2021/22 The accounts are referred to for their detailed terms and reflected the nature of the challenges ahead. On a point of information, the Committee was advised that discussions were still ongoing with regard to possible dissolution of the Regional Board.
	7.2 Capital Expenditure Plan This was considered and the Committee noted the work in hand and that capital expenditure and major projects were the subject of ongoing review.
	7.3 Schedule of Annual Finance-Related Reporting This had already been considered under Item 6.6 and no further discussion was required.
	7.4 College Infrastructure Plan This was a welcome document which recognised the need to be ready for the overarching sector wide Infrastructure Review.
09	**Any Other Business** The Committee noted that this would be the last Committee Meeting to be attended by the Head of Finance who was retiring after a long and distinguished career. The Committee took the opportunity of paying tribute to his sterling services over the years.
10	**Summation of Actions and Dates of Next Meetings** No specific action points but all observations duly minuted • FRC – 27 November (joint meeting with ARC) • RSB Finance & Resources Comm. – 11 Sep 2023

BOARD MEETING

DATE	26th September 2023
TITLE OF REPORT	Human Resources Committee (HRC) Chair's Report
REFERENCE	18
AUTHOR AND CONTACT DETAILS	Heather Anderson, Chair of HRC Heather.Anderson@slc.ac.uk
PURPOSE	To provide the Board with a report from the HRC Chair, including matters discussed during the HRC meeting on 14th September 2023
BOARD ACTIONS / POINTS TO NOTE	The Board is asked to note Key Points, especially: • HRC approval of the updated Health & Safety Policy • New strategy for IiP accreditation and planned creation of a "People Group" • Staff Recruitment and Retention internal audit "satisfactory" outcome • SPPA and SPF pension data returned on-time for the last pension year • ET/SLT are working with the Auditor and payroll experts to resolve historical payroll incorrect payments • EIS-FELA and UNISON took strike action on 7th September, further action planned 20th September. EIS-FELA ASOS continues with negative impact on students. • <u>RESERVED MATTER</u> Two new Employment Tribunal Claims have been received. • <u>RESERVED MATTER</u> Bereavement – matters related to recent in-service staff deaths are being dealt with by ET/SLT. Legal advice is being sought; approval for appropriate course of action will be sought from HRC/BoM

KEY POINTS	*HRC New members:*
	• Heather Anderson (Chair) and Paul Brodie. New, permanent Governance Professional, Paul McGillvery, attendance as an observer.
	Health & Safety Policy 2023 Review & Update
	• The Committee reviewed, commented on and approved the Health & Safety Policy.
	Investors In People
	• Investors in People (IiP) action plan to progress recommendations was been approved
	• Approval/Support for the creation of a new "People Group" to: own and progress the IiP recommendations action plan; as well as future employee-focussed, engagement matters.
	• Agreement to not seek re-accreditation of Investors in People's "We Invest in People", the benefits of accreditation were not seen to justify the audit cost and resource needed to undertake the IiP audit. This will be communicated to employees by the

Principal explaining the decision (due to relevance, cost and opportunity cost reasons).

Staff Recruitment and Retention internal audit
- The College achieved a "satisfactory" outcome, which is the second highest outcome.
- Three findings (as expected and known HRC, ET & SLT) were lack of Recruitment Policy, Recruitment Procedure, and Employee Engagement framework.
- Plans in place for the above three items to be created and implemented – a tracker will be presented at future HRC meetings.

Quarterly HR Report
- No significant issues to note
- Slight increase in engagement with Access to Work service, which has successfully supported three colleagues,
- CDN has launched an Equality Diversity and Inclusion network – first meeting was 13/09/2023, anticipate feedback from that at next HRC meeting.

Quarterly Health and Safety Report
- College under took a risk assessment for H&S coverage during strike days and implemented appropriate actions.
- Work is in progress to agree the best approach for a student with specific health needs which are resulting in a first aid challenge.
- The opportunity to work with Students' Association to highlight the health and safety issues associated with vaping.

Absence Management
- Absence rates slight improvement to 6.85% for the quarter (cf 9.71% for previous qtr), direct cost of c.£94,000/981 lost days.
- Since SLT has historically had a higher rate than sector average, in addition to policies/procedures, a change in culture is needed; it was acknowledged that there has been a lot of work done with managers – this work will continue.

SPPA and SPF pension data
- The College returned both SPPA and SPF pension data on time for the last pension year – this has not previously been the case.
- This was a manual effort, plans in place for automation (as far as possible) using the new HR system.
- SLT are working with the Auditor and payroll experts to resolve historical payroll incorrect payments. The Principal will provide staff with progress updates (staff are concerned about potential impacts on their pensions)

HR System project
- Slight schedule slip due to data migration challenges (electronic and paper records), plus some key milestones being omitted from original project plan.
- These issues are being managed and the revised project end date is November 2023 (was Sep2023).

Strike Action
- EIS-FELA and UNISON took strike action on 7th September, further action planned 20th September.

	• EIS-FELA Action Short of Strike Action (ASOS) is continuing – negative impact on students is a significant cause for concern,
	• EIS-FELA Action Short of Strike Action (ASOS) is continuing – negative impact on students is a significant cause for concern,

	therefore the Principal will made staff aware of this via the weekly newsletter.
	
	Reserved Items
	• Employment tribunal update:
	    ○ Previously existing tribunal claim has been closed as the relevant ex-employee did not participate in the process nor attend the Hearing.
	    ○ Two new claims have been submitted and an update will be provided at the Board of Management meeting.
	• Bereavement ○ The College has had two recent staff bereavements. ○ Engagement with family members is on-going and bereavement support has been provided for colleagues.
	    ○ HRC agreed course of action to seek Insurance Broker and Legal advisor advice on term life insurance benefit.
	    ○ Recommendations, with supporting evidence, will be made to the HRC/Board for approval; recognising the sensitivity of the matter, sequence of events will be time dependent.

Special Meeting of the Board of Management -22nd August 2023

Held on Training day

Present	Apologies
P Hutchison (Chairing Member)	C Gibb
S McManus (Principal)	F Mullen
P Brodie	
R Calin (Student Member)	
A Doherty (Staff Member)	
T Feely	
Prof J Gill	
E Hamilton (Student member)	
C Mclaughlin	
D Morrison	
T Robertson (Staff Member)	
S Coutts	
R Smith (Regional Chair) P Sweeney	
F Whittaker	
K Wither (student member	

Clerk – P Scott – Governance Professional

	AGENDA
1.	Declaration of Members' Interests None received
2.	Previous Minutes None were presented as this was a single item agenda but would be considered at the next available committee meeting
3.	The meeting unanimously confirmed and ratified the appointment of the new Board Members appointed by the Regional Board and as listed on the attached schedule There being no other business tabled the meeting was closed.

Schedule

Name	Gender	Key Skills from CV	Knowledge of education sector/industry, commerce, the third sector, public service, trade unions/the region
Paul Brodie	M	Member of Chartered Management Institute Curriculum Manager with Ayr College Chair of SQA Qualification Team (Sport & Fitness) Experience of developing joint Curriculum with secondar Schools	Significant management experience Significant knowledge and understanding of Secondary / FE curricula Sound understanding of KPIs and Team Evaluation Highly Experienced FE Lecturer Trained in HSW Risk Management Sound broad experience of the wider educational sector Track record of innovation in teaching
Scott Coutts	M	Sound experience of Budgeting within the educational sector Sound understanding of governance. Good understanding of communities within the college catchment area Thorough understanding of the educational landscape at both HE and FE levels. Very considerable expertise in Marketing /PR.	Marketing and Communications Manager (online) at University of Edinburgh. Formerly Marketing & Communications Manager at SLC. Previous relevant FE experience Has an in-depth knowledge of SLC and an excellent track record in key areas such as networking and engagement. Considerable experience at Senior Team Level of strategic and operational planning. An effective and experienced manager / team leader.
Thomas Feely	M	Substantial experience in accountancy and audit as senior partner in an established accountancy practice. Also has relevant experience as a Charity Trustee and in community development. Strong management experience and leadership skills allied to sound local knowledge	Current member of the Board of Motherwell Football Club – a supporter owned company limited by Guarantee. Experience of advising corporate bodies and individuals on a full range of accountancy and audit subjects. Commercial experience of running a successful local business. Considerable sharp end experience of Audit processes and procedures
Prof. Jo Gill	F	Vice Principal and Head of College of Arts – University of Glasgow Outstanding experience of Curriculum Quality & Development at the highest level and substantial academic management experience	A leading educator with a distinguished record of relevant publications. Former Governor of an English Sixth Form College. Extensive experience of the education sector generally and the interface between HE and FE specifically. Considerable experience of Chairing Academic Boards and Committees

Peter Sweeney MBE	M	40 year career in the Civil service with outstanding leadership skills which were recognised in the Honours List	Experience and expertise of governance within the public sector. Specific experience of Audit & Risk. Considerable experience of talent management. Track record of interaction with local colleges
		High level experience within the technology sector with particular emphasis on cyber security and risk management Lifelong resident of East Kilbride with sound understanding of community relationships.	and formerly a regular attender at college recruitment fairs. Proven commitment to community development and the role of FE. Currently Chair of the Educational Trust which has been providing funding for student support initiatives.