



S1.18, Stirling Campus 9.30am – Breakfast will be available in the room from 08.30

		Publish on Web?	Type	Lead
1	Apologies, Declaration of Interests and Changes to Members' Register of Interest	N/A	Discussion	Abhi Agarwal
2	Draft Minutes and Matters Arising of meeting of 13 August 2024	Yes	Approval	Abhi Agarwal
	(Elements of paper 2 are withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.)			
3	Review of Action Tracker	Yes	Discussion	Alison Stewart
	(Elements of paper 3 are withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.)			
4	Principals Executive Summary Report	No	Discussion	Kenny MacInnes
	(Paper 4 is withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.)			
5	Chairs Update	Yes	Discussion	Abhi Agarwal
6	Student Association Report	Yes	Discussion	Elena Strachan
STRATEGIC PLAN IMPLEMENTATION				
7	Final Revenue Budget 2024-25	No	Approval	Alison Stewart
	(Paper 7 is withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)			
8	Campus Estate Review	No	Discussion	Alison Stewart
	(Paper 8 is withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)			
9	Skills Transition Centre	No	Approval	Kenny MacInnes
	(Paper 9 is withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)			



GOVERNANCE

- | | | | | |
|----|------------------------------|----|----------|----------------|
| 10 | Appointment of Board Members | No | Approval | Alison Stewart |
|----|------------------------------|----|----------|----------------|

(Paper 10 is withheld from publication on the Forth Valley College website under Section 38 Personal Information of the Freedom of Information (Scotland) Act 2002.)

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| 11 | Board Secretary Arrangements | Yes | Discussion | Rhona Geisler |
|----|------------------------------|-----|------------|---------------|

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|----|---|-----|--------|-------------|
| 12 | Minutes of Committee Meetings | Yes | Noting | |
| | 12.1 Draft Audit Committee 5 September 2024 | | | Liam McCabe |
| | 12.2 Draft Finance, Resource & Infrastructure Committee 12 September 2024 | | | Liam McCabe |

(Elements of paper 12.1 and 12.2 are withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.)

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| 13 | Review of Risk | Yes | Discussion | All |
|----|----------------|-----|------------|-----|

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| 14 | Any Other Competent Business | Yes | Discussion | All |
|----|------------------------------|-----|------------|-----|

FOR INFORMATION

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|----|----------------|-----|-------------|--|
| 15 | Forward Agenda | Yes | Information | |
|----|----------------|-----|-------------|--|

- | | | | | |
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| 16 | Audit Scotland – Scotland's Colleges 2024 | Yes | Information | |
|----|---|-----|-------------|--|

- | | | | | |
|----|---|----|-------------|--|
| 17 | Skills Transition Centre Full Business Case | No | Information | |
|----|---|----|-------------|--|

(Paper 17 is withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)



2. Draft Minutes of Meeting of 13 August 2024 For Approval

27 September 2024
BOARD OF MANAGEMENT

Zoom, 4.30pm

Present: Abhishek Agarwal (Chair)
Kenny MacInnes (Principal)
Craig Arthur
Paul Devoy
Lorna Dougall – Vice Chair
Rhona Geisler
Annemarie Harley – EIS FELA member (exited for B/24/007)
Philip Harris
Jen Hogarth – Teaching staff member
Graham Leebody – Unison member
Liam McCabe – Senior Independent Member
Alistair McKean – Corporate Services staff member
Elena Strachan – Student Association President
Campbell Ure

Apologies: Trudi Craggs
Kirsten Kennedy – Student Association Vice President
Emma Meredith

In Attendance: Alison Stewart, Vice Principal Finance & Corporate Affairs (VPFACA)
David Allison, Vice Principal, Infrastructure and Communications (VPIC)
Sarah Higgins, Vice Principal Learning and Student Experience (VPLSE)
Colin McMurray, Vice Principal Business & Innovation (VPBI)
Stephen Jarvie, Corporate Governance and Planning Officer and Deputy Board Secretary (CGPO)

The Chair welcomed members to the meeting and thanked them for attending an extraordinary meeting, noting the importance of the approval to be considered.

He also confirmed he would be meeting with all members in the near future.

B/24/001 Apologies

Apologies are noted above.

B/24/002 Apologies, Declaration of Interests and Changes to Members' Register of Interest

Ann-Marie Harley declaration of interest in B/24/007 noting that, as the EIS-FELA National President she would have to excuse herself for that part of the session



2. Draft Minutes of Meeting of 13 August 2024 For Approval

27 September 2024
BOARD OF MANAGEMENT

B/24/003 Draft Minutes and Matters Arising of Meeting of 20 June 2024

Anne-Marie Harley highlighted that, under B/23/108, the minute did not accurately reflect the role in which she had submitted the letter and expressed her disappointment in the draft minute as presented.

The Chair acknowledged that the letter had been submitted as a Board Member and that she had declared the declaration of interest in the letter and welcomed that this had been highlighted. Following discussion, it was agreed that the minute should be revised to reflect that the letter had been raised as a Board member concern rather than as an EIS-FELA matter.

The Chair highlighted the importance of members being able to raise concerns and discussed his preference that this be done in line with the normal process for adding an item to the meeting agenda, with agreement from the relevant Chair and a paper issued in line with normal timelines to allow members to consider the information.

a) Members approved the minute of the meeting, subject to the changes outlined above

Matters Arising

None raised

B/24/004 Annual Report and Financial Statements 2022/23

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



2. Draft Minutes of Meeting of 13 August 2024 For Approval

27 September 2024
BOARD OF MANAGEMENT

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

a) Members approved the Annual Report and Financial Statements 2022/23

B/24/005

External Auditor Annual Report & Letter of Representation

The VPFACA presented the external auditors report, confirming that all other areas except the one discussed in the previous agenda item had received an unqualified opinion. She noted that financial sustainability had been listed as a risk to the College in the report but that going concern was an appropriate rating for the College.

She also discussed the letter of representation from the Board to the External Auditors. [REDACTED]

[REDACTED]

a) Members approved the submission of the letter of representation

B/24/006

Any other competent Business

Board of Management Strategic Session

The CPGO requested that members who had yet to indicate a preference in relation to the Strategic Session in September, please do so

2. Draft Minutes of Meeting of 13 August 2024 For Approval

27 September 2024
BOARD OF MANAGEMENT

Call for expression of Interest in Vice Chair and Senior Independent Member positions

The VPFA informed members that the current post holders for Vice Chair, Lorna Dougall, and Senior Independent Member, Liam McCabe, had reached the end of their tenures in these posts.

She invited members who may be interested in these posts to submit a note of interest to herself or the CPGO by email.

She confirmed the appointments would be covered at the September meeting of the Board.

Board Evaluation

The VPFA informed members of the upcoming annual Board Effectiveness and Member Self-Evaluation activity. She highlighted some changes to the process this year based on good practice and confirmed the materials would be issued in the coming weeks with an intention to arrange one to one meetings with the Chair in October 2024.

She also informed members that the annual refresh of Members Register of Interests would be issued soon. She noted that, in previous years, there had been delays in this information being submitted which had been noted by the external auditors and requested that members turn round the information in a timely manner.

B/24/007

EIS Letter

[illegible]



2. Draft Minutes of Meeting of 13 August 2024 For Approval

27 September 2024
BOARD OF MANAGEMENT

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



3. Review of Action Tracker For Discussion

27 September 2024
BOARD OF MANAGEMENT

1. Purpose

To present the tracking document of Board actions for discussion and comment.

2. Recommendation

That members review the attached tracker and make any comment/additions as needed.

3. Key Considerations

Members had expressed concerns that actions could become lost over time given the span between meetings. A tracker document has been created to capture actions from the Board and all Committees. The tracker as attached shows those actions believed by the College to be complete and those that are 'live' at this time for the Board.

Tracker documents with specific Committee tasks have been taken to recent meetings.

4. Resource Implications (Financial, People, Estates and Communications)

None

5. Equalities

There are no impacts associated with this paper.

6. Communities and Partners

None

7. Risk and Impact

Please complete the risk table below. Risk is scored against Likelihood x Impact, with each category scored from Very Low through to Very High. Risks should be robustly scored and, if the combined score (Likelihood x Impact) is higher than the Board Risk appetite for the risk category identified, additional justification must be provided on why this risk is necessary.

If the paper is an approval, please reflect on whether the approval will have any direct or indirect impact for any other areas of operational activity internally or externally within the College – No

	Likelihood	Impact
Very High (5)		
High (4)		
Medium (3)		
Low (2)		X
Very Low (1)	X	

Total Risk Score – 2



3. Review of Action Tracker For Discussion

27 September 2024
BOARD OF MANAGEMENT

The College has a Strategic Risk appetite for categories of risk as defined by the Board of Management. Decisions being taken at LMT/SMT/Board level must have cognisance of this. Please indicate the single most relevant risk category in the table below.

BoM Risk Categories & Risk Appetite (Select one area only)					
Cautious <15		Open 15> <20		Eager >20	
Governance	X	Strategy		People	
Legal		Financial		Project/Programme	
Property		Reputational			
		Technology			

Failure to track actions arising from Board and Committee work could lead to increased risk/missed opportunities or other detrimental impacts on the College. The mitigation of maintaining a tracker document and reporting to the Board/committees will help to negate this and well as inform future agenda items.

Is the score above the Board Risk Appetite level? No

Risk Owner – Alison Stewart

Action Owner – Stephen Jarvie

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart

Meeting	Date	Minute Ref	Action	Assigned to	Deadline to report?	Status	Output Required	Comment
Board	22/2/24	B/23/068	Update on FM contract	David Allison		Completed	Paper to Board	Approval for TFM granted
Board	22/2/24	B/23/070	Kenny to send copies of Education Scotland report on student support when it is received	Kenny MacInnes	None	In Progress	Email to members	Not yet received the final report from Education Scotland.
Board	22/2/24	B/23/070	Sarah to raise reskilling with NHS HR lead	Sarah Higgins	26/09/2024	Completed	Matters Arising	Sarah has met with the NHS HR Director as well as the HR Head of Organisational development, who is developing a skills requirement matrix to inform next steps
Board	22/2/24	B/23/074	Alison to prepare a proposal for the Board covering funding requests that can be made to the ALF, expenditure that can be moved to the ALF, applicable accounting rules and advice on roles as charity trustees	Alison Stewart	25/04/2024	Completed	Paper to Board	
Board	22/2/24	B/23/076	Colin to identify and discuss top 5 international risks once new manager in post	Colin McMurray	None	In Progress	Paper to Board	Ongoing - new manager only recently in post
Board	25/4/24	B/23/084	College to lodge complaint with Audit Scotland re time taken for external audit	Alison Stewart	AS to advise	Completed	Complaint	AS updated on 20 June that Audit Scotland have been contacted on this matter to raise the complaint

Board	20/6/24	B/23/094	Members requested that dashboards referred to in minutes be appended going forward	Alison Stewart	01/09/2024	Completed	N/A	Dashboard attached to Board papers for 27 September 2024
Board	20/6/04	B/23/101	Members requested that KM look at other success measures beyond attainment to include in the strategic plan	Kenny MacInnes	01/09/2024	In Progress	Draft strategic plan and objectives	Targets included related to positive destinations and progression pathways.
Board	20/6/04	B/23/104	KM to write to Public Appointment Scotland in relation to the time taken and poor communications	Kenny MacInnes	KM to advise	Cancelled	Letter	This has been cancelled due to appointment of new Chair.
Board	20/6/24	B/23/108	Trudi to respond to letter from Anne Marie Harley	Trudi Craggs		Completed		New Chair considers no requirement to respond as originally discussed at meeting
Board	13/8/24	B/24/003	Draft minute to be edited to reflect changes re AMH letter	Stephen Jarvie	20/08/2024	In Progress	uploaded papers to the web	Amended minute will be included in the uploaded version on the website
Board	13/8/24	B/24/007	Draft response to letter from EIS to be circulated to members for comment	Kenny MacInnes	KM to advise	Completed	Letter issued to EIS	



6. Student Association Report For Discussion

27 September 2024
BOARD OF MANAGEMENT

1. Purpose

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

2. Recommendations

That members note the contents of this report.

3. Background

To inform the Board of FVSA activities.

4. Key Considerations – Since the last Board of Management FVSA have conducted several activities.

Staff update

The FVSA Administrator post has been vacant since Friday 7th June. Following a second round of recruitment, the team will welcome the new FVSA Administrator on Monday 7th October. The Student Engagement Co-ordinator has covered various Administrator responsibilities, supported by the SAUPM and Learning & Quality Information Assistants.

The team welcomed new Student President, Elena Strachan, on Wednesday 3rd July. This is Elena's first term as a Sabbatical Officer, while Kirsten Kennedy shall complete her second and final term as Vice President by July 2025.

The Student President, Vice President, and Student Engagement Co-ordinator attended relevant training and events over the summer e.g. NUS's 2-day College Lead and Change event at Hampden Park, and the 2-day sparqs training residential at Queen Margaret University.

Class Visits

FVSA staff will complete Class Visits across all three campuses throughout the period Monday 16th September – Friday 11th October.

FVSA's Student Community 2024-25 Teams group

A Power Automate workflow has been created to facilitate the bulk uploading of students to the FVSA's Student Community 2024-25 Teams group. A further upload will be undertaken for late enrolled August-start students. FVSA will continue to engage with students via the Teams Student Community Page, which currently has 1725 members. This current membership reflects an audience reach well in excess of previous years.



6. Student Association Report For Discussion

27 September 2024
BOARD OF MANAGEMENT

Welcome Fairs – Block 1

FVSA rebranded Freshers/Re-freshers to Welcome Fair for session 2024/25. Footfall at all three campus events across Tuesday 10th – Thursday 12th September was high. Lecturers were very supportive of the Fairs by allowing students out of classes, appropriate, in order to attend. The Fairs were attended by a variety of exhibitors including third sector, commercial, entertainment, and FVC.

Due to staffing issues within FVSA, we were supported by Communications & Marketing, Active Travel and Active Campus colleagues to monitor the events each day.

Class Representatives

Class Rep recruitment is currently underway, with the Student Engagement Co-ordinator in touch with academic staff to encourage and facilitate sign-ups. FVSA aims to increase feedback received from Class Reps via themed meetings and surveys throughout the year. We also aim to recruit over 260 Class Reps over session 2024/25, maintaining the level of recruitment achieved in session 2023/24.

Executive Officers

Executive Officer recruitment is currently underway. Students will be able to vote Monday 23rd – Friday 27th September. Successful candidates will complete induction and training w/c 7th October. Any vacancies will be addressed in the Block 2 by-election. Recruitment and engagement was very low in session 2023/24, and we hope to improve this in session 2024/25.

Student Partnership Agreement ('SPA')

Progress on the SPA was paused in March 2024. The Student President will work with FVC staff to deliver on the Agreement in session 2024/25.

Student Mental Health Agreement ('SMHA')

The Head of Inclusion and Student Services and the Student Services Manager met with SAUPM in August to finalise the draft Action Plan for session 2024/25. This will be shared with students and *Think Positive!* for their feedback, before the copy is finalised, with the launch event anticipated for November.

Monthly Meetings with the Principal

The FVSA's monthly meetings with the Principal have resumed, following the Summer break. FVSA provides updates on activities delivered by the Students' Association. We also provide a summary of any student complaints and provide an overview of student engagement data.



6. Student Association Report For Discussion

27 September 2024
BOARD OF MANAGEMENT

Tell Us Tuesdays

FVSA will continue to gather feedback on the Student Community Teams page via *Tell Us Tuesdays* surveys. Published fortnightly, these surveys allow FVSA two weeks to analyse and act upon feedback gathered.

Graduation

The Student Vice President is due to attend FVC Graduation Ceremonies in October as a member of the Board of Management, and to represent the FVSA.

Constitution Review

FVSA team continue to review the Constitution based on advice, guidance and feedback from Stephen Jarvie, Corporate Governance & Planning Officer alongside Lisa Baxter, Student Association and University Partnership Manager. The final Student Council meeting of session 2023/24 did not meet quorum, therefore the updated Constitution was not approved. We aim to increase turnout at the session 2024/25 Student Council meetings, and hopefully the increased Teams group audience will support with this.

Tertiary Quality Enhancement Review

The Student President met with representatives from the Quality Assurance Agency as part of the initial scoping meeting for the upcoming Tertiary Quality Enhancement Review along with the Vice Principal Learning & Student Experience and the Head of Learning and Quality. As the Student Lead in this process they were involved in making suggestions around the review process as well as the make-up of the review team.

Student Council

Student Council is the major decision-making body of the Students' Association. It consists of Class Representatives, Executive officers, Sabbatical officers, and the wider student body. The key discussion points are:

- Motions, inc. voting on issues
- FVSA's Constitution
- Feedback on student learning experience
- Accountability of Sabbatical Officers

FVSA responds to any issues raised or feedback delivered, as appropriate. The supports our aim of students' views helping to shape the work of the FVSA.



6. Student Association Report For Discussion

27 September 2024
BOARD OF MANAGEMENT

The Student President and Vice President deliver reports to outline the work they have been undertaking for the FVSA and to give manifesto updates.

The Student President presents the FVSA's operational budget to illustrate how FVSA have allocated funds to projects, events, and day-to-day activities. This supports FVSA's aims of being honest and transparent, and Officers accept and respond to feedback from students.

The forum is held twice per year and the first series of Student Council meetings will take place in November across all three campuses, and online.

Welcome Fairs – Block 2

The FVSA Team are currently planning for Block 2 Welcome Fairs to welcome new and returning students. The Fairs are planned for the following dates:

- Stirling Campus - Tuesday 4th February
- Alloa Campus - Wednesday 5th February
- Falkirk Campus – Thursday 6th February

Student Awards Planning

Each year FVSA organises the FVSA Student Awards to celebrate students' – and staff - achievements and give them recognition for "going that extra mile." In order to increase nominations across all student categories, we are open for nominations throughout the year so that early examples of success and achievement are not forgotten when the Awards take place at the end of the academic year. FVSA aims to build on its five corporate award sponsors from the 2024 event.

FVSA Student Awards 2025 is being planned for Thursday 22nd May 2025.

Paper Author/s – Elena Strachan/Lisa Baxter



11. Board Secretary Arrangements For Approval

27 September 2024
BOARD OF MANAGEMENT

1. Purpose

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

2. Recommendation

That members review the current arrangement for the Board Secretary and Deputy Board Secretary as outlined in this paper and approve to these to continue for 2024/25.

3. Background

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

Section D.13 of the Code states

The board as a whole must appoint a board secretary who is responsible to it and reports directly to the chair in their board secretary capacity. The board secretary may be a member of the senior management team in their board secretary capacity, but **they cannot hold any other senior management team position at the same time. The appointment and removal of the board secretary is a decision of the board as a whole.**

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

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

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

4. Key Considerations

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



11. Board Secretary Arrangements For Approval

27 September 2024
BOARD OF MANAGEMENT

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

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

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

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

5. Resource Implications (Financial, People, Estates and Communications)

None. Both the Secretary to the Board and Depute Secretary are established roles within the College.

6. Equalities

There are no equalities impacts as this approval related to compliance with the Code of Good Governance.

7. Communities and Partners

None



11. Board Secretary Arrangements For Approval

27 September 2024
BOARD OF MANAGEMENT

8. Risk and Impact

Please complete the risk table below. Risk is scored against Likelihood x Impact, with each category scored from Very Low through to Very High. Risks should be robustly scored and, if the combined score (Likelihood x Impact) is higher than the Board Risk appetite for the risk category identified, additional justification must be provided on why this risk is necessary.

If the paper is an approval, please reflect on whether the approval will have any direct or indirect impact for any other areas of operational activity internally or externally within the College – No

	Likelihood	Impact
Very High (5)		
High (4)		X
Medium (3)		
Low (2)	X	
Very Low (1)		

Total Risk Score – 8

The College has a Strategic Risk appetite for categories of risk as defined by the Board of Management. Decisions being taken at LMT/SMT/Board level must have cognisance of this. Please indicate the single most relevant risk category in the table below.

BoM Risk Categories & Risk Appetite (Select one area only)					
Cautious <15		Open 15> <20		Eager >20	
Governance	X	Strategy		People	
Legal		Financial		Project/Programme	
Property		Reputational			
		Technology			

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

Is the score above the Board Risk Appetite level? - No

Risk Owner – Board of Management

Action Owner – Chair of Board of Management

Paper Author – Alison Stewart on behalf of the Chair



12.1 Draft Audit Committee Minute 5 September

2024

For Noting

27 September 2024

BOARD OF MANAGEMENT

Falkirk Campus, Steeple Suite, 4.30pm

Present: Lorna Dougall (Chaired)
Alistair McKean
Liam McCabe

In Attendance: Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)
Colin McMurray, Vice Principal Business and Innovation (VPBI)
Stephen Pringle, Wbg Services
Stephen Jarvie, Corporate Governance and Planning Officer (CGPO)
Graeme Robertson, Head of Information Technology (HIT) for item A/24/005 only

A/24/001 Apologies, Declaration of Interests and Changes to Members' Register of Interest

Rhona Geisler (Chair)
Trudi Craggs

A/24/002 Draft Minutes and Matters Arising of meeting of 16 May 2024

Members considered the minute of the meeting of 16 May 2024

a) Members approved the minute of the meeting of 16 May 2024

A/24/003 Review of Action Tracker

Members reviewed the content of the action tracker.

Members discussed the need for the External Auditors to be at the meeting in person and agreed that they should be in attendance at the November meeting.

a) Members noted the content of the action tracker

A/24/004 Review of Committee Remit

The CGPO commented that the Principal had noticed the remit contains reference to the Finance Committee and that this needed to be updated to state the Finance, Resource & Infrastructure Committee.

a) Members approved the Committee remit subject to the changes outlined above

A/24/005 Policy Updates/Approvals

5.1 Anti Bribery and Anti-Corruption

The VPFACA presented the policy, noting the changes incorporated since last approval.



12.1 Draft Audit Committee Minute 5 September

2024

For Noting

27 September 2024

BOARD OF MANAGEMENT

Members commented that they felt the updated policy was strong on outlining staff responsibilities and queried how this would be disseminated to staff.

The VPFA confirmed that the policy would be publicised on the College SharePoint, via the e-focus newsletter and that, while applying to all staff, specific staff would also be notified as well owing to their roles.

a) Members approved the policy

5.2 IT Security

The HIT presented an updated IT Security policy. He outlined the main changes to the Policy to maintain its relevancy.

He noted one change being the requirement for staff not to utilise non-IT provided power sources for College devices as there is a risk of fire. Members welcomed the addition and noted that the fire risk should be more clearly stated in the policy as the reason for the change.

a) Members approved the policy

A/24/006

Audit Needs Assessment

Stephen Pringle (SP) presented the audit needs assessment that had been developed in conjunction with College Management.

He outlined each of the proposed audits and noted that high level scopes for each as well as the intended timetable for review work and reporting to the Committee was contained in the document.

Members queried the increased number of audit days assigned to this academic year.

SP explained that this was a result of the College asking to move the Fraud Awareness review from 2023/24 into 2024/25.

The VPFA commented that, owing to the approval from the Committee of the updated Fraud Policy earlier in the year, it was considered prudent to delay the audit until the new policy was embedded.

a) Members approved the Audit Needs Assessment for 2024/25

A/24/007

Governance Statement

The VPFA presented members with the draft governance statement for the 2024/25 annual accounts.

She confirmed that the format and areas covered by the statement had not changed since previous years and that the data within it had been reviewed and updated as necessary.



She commented that it was good practice to bring this to the Committee ahead of the draft accounts being presented as this allowed for time to edit the statement if members require.

She highlighted that areas within the statement still to be finally confirmed such as the External Auditors opinion were highlighted and would be updated when the relevant information was available.

a) Members approved the Governance Statement

A/24/008

Audit Committee Self-Assessment

The Chair presented the Committee self-assessment document for members review and approval.

She noted that this was an important check and that, while she was content with the content, it was important that all members agreed.

The VPFACA informed members that the document had been reviewed and that the Committee Chair had been involved in this process.

Members noted that there were a couple of areas where the College was not compliant with the Code of Good Governance. The VPFACA explained that this related to the independence of the Board Secretary function and that this was mitigated by having a Deputy Board Secretary, the CPGO, in post and also via the annual review and approval of this arrangement by the Board of Management.

a) Members approved the self-assessment document

A/24/009

National Fraud Initiative Checklist

The VPFACA presented an update on the National Fraud Initiative (NFI) and how this is run within the College.

She noted that the College had been participating in the NFI for a number of years now and that a review of payroll and creditors was conducted every two years.

Members noted that participation in the NFI involved the transfer of a lot of staff data and queried if the College was comfortable with how this is managed.

The VPFACA confirmed that the College was satisfied.

a) Members noted the content of the report

A/24/0010

Internal Audit Annual Report

SP presented the 2023/24 annual report on the internal audit function. He confirmed that the overall rating was a positive one and that, overall, the College had fewer recommendations from audits than the sector average. He noted the one report on



Strategic Planning that had received a low rating and that actions were being taken to address this.

a) Members noted the content of the annual report

A/24/011 Presentation of Internal Audit Reports

SP presented two reports to the Committee.

HR Payroll System

He highlighted that this was a positive report with an overall rating of strong and no recommendations made. He also highlighted that 13 areas of best practice had been identified during the audit.

Follow Up Review

He presented the annual follow up review report, noting that 10 recommendations had been reviewed and that 3 low level recommendations were partially complete.

The CGPO outlined the reasons for the partial completion, noting that this was a timing issue linked to external bodies.

SP commented that the number of recommendation remaining to be completed was low for a College of the size of FVC.

a) Members noted the content of the reports

A/24/012 Progress Report on Audit Recommendations

The CGPO presented the standing report on progress against audit recommendations. He confirmed that the three recommendations discussed under the previous agenda point remained live and highlighted one recommendation where the College was requesting to extend the completion date by one month to reflect the need to engage the Board of Management in the strategic planning process.

a) Members noted the content of the report

A/24/013 Risk Management

The VPFACA presented the new risk management report. She confirmed that, as discussed at the Committee meeting in May, the cover paper contained a summary table of strategic risk and commentary on any changes to risk. She also confirmed that fuller detail on each risk was hosted on the Admincontrol system for members who wanted to check on further detail.

Members commented on the 'treatment' assigned to each risk, noting that as presented the options for treatment appeared quite passive and did not reflect the work ongoing to mitigate risks.



12.1 Draft Audit Committee Minute 5 September

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For Noting

27 September 2024

BOARD OF MANAGEMENT

It was agreed that the College would review the treatment options to more accurately reflect the ongoing risk mitigation.

Members commented that it may be a good idea for the Board or Committee to have a session to agree on the appropriate treatment categories for risk.

The VPFACA informed members that, since the publication of the papers, risk 5 regarding national bargaining had changed as EIS-FELA had accepted the four year pay deal.

a) Members noted the content of the report

A/24/014

[REDACTED]

A/24/015

Review of Risk

Risks were noted in the cover papers.

A/24/016

Any Other Competent Business

[REDACTED]

The Chair noted that this was the last meeting for Alistair McKean who had reached the end of his tenure on the Board and she thanked for his positive contributions to the Committee.



12.1 Draft Audit Committee Minute 5 September 2024

For Noting

27 September 2024

BOARD OF MANAGEMENT

A/24/017

Forward Agenda

The forward agenda was attached for information.

Uncontrolled Copy



12.2 Draft Finance, Resource & Infrastructure Committee Minute 12 September 2024

For Noting

27 September 2024

BOARD OF MANAGEMENT

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

Present: Liam McCabe
Paul Devoy (via teams)
Philip Harris
Graham Leebody

Apologies: Craig Arthur
Kirsten Kennedy, FVSA Vice President (FVSAVP)

In Attendance: Kenny MacInnes, Principal
Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)
David Allison, Vice Principal Infrastructure and Communications (VPIC)
Colin McMurray, Vice Principal Business and Innovation (VPBI)
Senga McKerr, Director of Finance (DOF)
Moira France, Finance Manager (FM)
Karina Buchanan, Human Resources Business Manager (HRBM)
Stephen Jarvie, Corporate Governance and Planning Officer (CGPO)
Elena Strachan, FVCA President (FVSAP) for item F/24/005
Martin Loy, Head of Estates, Facilities Management & Health & Safety (HEFMHS) for items F/24/011 and F/24/012) only

F/24/001 Apologies, Declaration of Interests and Changes to Members' Register of Interest

The apologies were noted

F/24/002 Draft Minutes and Matters Arising of meeting of 11 June 2024

Members considered the minute of the previous meeting

a) Members approved the minute of the meeting of 11 June 2024

F/24/003 Review of Action Tracker

The Chair noted that this was the first time the action tracker was coming to the Committee and welcomed the report.

He noted that most actions were complete and that the update on the development and fundraising strategy would be deferred to a future meeting.

Members requested that this be brought as a paper and substantive update.

a) Members noted the content of the tracker



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BOARD OF MANAGEMENT

F/24/004 Review of Committee Remit

The Chair noted that this was the annual review of the Committee remit for members to consider if the remit meets the needs of the Committee.

Members noted that the remit remained correct but that an amendment to state that the Board may assign other matters to the Committee for consideration should be added.

a) Members agreed the remit subject to the amendment above

F/24/005 Student Association Outturn for 2023/24 & Budget for 2024/25

The FVSAP presented members with a paper on the outturn for 2023/24 and proposed budget for 2024/25.

She outlined a range of activities which had taken place and the plans for the coming year, noting her desire to create a culture of greater interaction between students.

She highlighted the desire to expand the number of Student Awards and that sponsors had been approached to support this.

She discussed the feedback Friday activity and the upcoming election for FVSA Executive Officers.

She noted the underspend in the previous year and confirmed this was due to staffing changes during the year.

She outlined the budget ask for the current academic year and the proposed activities of the President and Vice President.

a) Members welcomed the report, proposed expansion of student engagement and approved the budget for 2024/25

F/24/006 HR Policies - Family Friendly Policies

The HRBP presented a paper covering updates to four family friendly policies. She noted that the changes were not material and that copies of the updated policies had been included in the 'for information' section of the Committee papers.

She confirmed that the College Unions had been involved in the review of the policies.

The Principal confirmed that, during the consideration of these policies by the Leadership Management Team, discussion had taken place on how best to communicate these changes to the College staff.

a) Members approved the policies as presented



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F/24/007 Forecast Outturn 2023-24

The FM presented members with a paper outlining the Q3 position and identified risks.

She discussed the overall position and highlighted significant changes to income and expenditure since the last paper to the Committee.

She highlighted the variance in the grant in aid allocation and the Principal is leading then review into this position and how to mitigate against future losses. The Principal confirmed that an independent review and been carried out and he had accepted the recommendations made. The report and response to recommendations will be reported to the next Audit Committee.

Members noted a significant increase in commercial income and queried the reason for this. The FM noted that this mainly related to increased activity in courses such as electrical safety.

The Principal reported on a potential £83k clawback from SDS related to employers of MA's not actually employing the MAs. He noted that this was all external to the College and did not impact on our delivery but that SDS were potentially going to ask the College to collect and pass on payroll information, to prove the MAs are employed, on a quarterly basis and that the College was pushing back on this additional administrative burden that is not related to College activity.

Members queried if the identified MA's did exist. The Principal confirmed that they did and had been in College for training so this could be verified.

Members queried the increase in external audit fees and asked if the College was reviewing the content of these. The VPFA confirmed that this had been asked for and had been reviewed and now agreed with Mazars.

a) Members noted the content of the report

F/24/008 Finance Update

The HOF presented a financial update covering finance matters not covered in the previous paper.

She confirmed that the 24/25 budget would be brought to the upcoming Board management.

She noted that the Board had agreed in June 2024 that the College should look to identify £600k of savings as part of measures to address the projected £1.6m deficit. Between this work, the outcome of the consultation and additional commercial activity, a total of £706k improvement had been made.



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Members queried whether any of the identified savings would be recurring or were one off savings.

The HOF confirmed it was a mix of the two.

[REDACTED]

[REDACTED]

The HOF discussed the current cash balances for the College and anticipated demands on the cash.

Members queried what the College could do in response to an unexpected demand on cash. The VPFA confirmed that the College had the option to pull down funding early from SFC to meet unexpected demand.

The HOF discussed capital budgets and also noted that the Falkirk Growth Deal was signed off by the Government that day.

She outlined capital projects that were anticipated to take place and the associated costs. Members noted that there was some uncommitted capital funding and queried whether this would be allocated within year.

The HOF confirmed that this is the case but that the College was waiting for a decision from Scottish Government on transfer between CDEL/RDEL which would influence the final decision.

The Principal confirmed that requests for capital works were being triaged.

Members queried the levels of margin involved in the commercial activity and the HOF confirmed the normal margin levels which depends on the specialism being delivered.

The HOF discussed procurement activity and confirmed that a 0.5FTE is being recruited to start in October to support the anticipated increase in procurement activity associated with the upcoming Skills Transition Centre.

Members queried if the additional staffing costs could be recharged to the project and it was confirmed that this was the case.

The HOF discussed Student Funding levels, noting a slight increase in SAAS funding levels for the year.

a) Members welcomed the report and noted the content



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BOARD OF MANAGEMENT

F/24/009 People Strategy Update

The HRBM presented an overview of progress against People Strategy. She confirmed that all objectives had been met with targets achieved in each quarter.

She noted in relation to the few amber rated items on the dashboard that some changes were being rolled out in a structured matter and also in relation to the consultation savings.

She discussed the new induction process in place for new staff members, noting that two sessions had been conducted to date and the induction materials were being updated based on the feedback of those involved.

The Principal confirmed that the in person induction had been developed to meet new staff and ensure that they are aware of the culture of the College and to help them embed better and have a positive on boarding experience.

It was noted that the Unions had expressed an interest in participating in the induction process and that HR had confirmed that once the new process was established this would be looked at.

The HRBM noted that the internal audit of the new HR Payroll system had been very positive with a strong rating achieved.

a) Members noted the content of the report

F/24/010 Health and Wellbeing Dashboard

The HRBM presented the dashboard and confirmed that the project had met the objectives it had set out to achieve.

She noted the focus of the previous academic year had been men's health and outlined the activities to support this.

She also noted that a reasonable adjustment passport for staff with additional support needs and that training with managers was underway to support discussions with staff.

She informed members that the wellbeing project questionnaire was conducted again and an action plan was being developed based on the feedback. This included further work task analysis work which was currently being tendered for.

She highlighted that the College had gained "experienced" level in relation to being a carer positive organisation and that further improvements would be sought in coming years.

Members commented on the positive range of activity underway and that it contributed to the culture of the College.



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Paul Devoy commented that Investors In People had recently released a report that was relevant to this topic. It was agreed that he would share the report with the CGPO who would distribute it to the Committee members.

a) Members noted the content of the report

F/24/011 Estates Update

The HEFMHS presented an update on the College estate. He confirmed that the risks related to backlog and lifecycle maintenance remained unchanged as the funding had not increased.

He confirmed matters relating to health and safety continue to be prioritised and there were no issues at this time.

The HEFMHS discussed the SFC infrastructure plan work, noting that there was a lot of work involved for the College but any benefit from this plan was unlikely.

He also confirmed that SFC were launching a review in relation to net zero which would require input from the College.

The Principal informed members that he continues to raise the funding issues with SFC at a range of levels.

The VPFAA also noted that the funding issues were raised in the FFR narrative each year.

The HEFMHS reported on the on boarding of the new total facilities manager (TFM) who commenced on 1 July 2024. He confirmed that the process had been fairly smooth so far and the team were impressed with the TFM provider's team.

The Principal noted the amount of work involved with the TFM contracting and on boarding and noted his thanks for the HEFMHS and the team.

a) Members noted the content of the report

F/24/012 Health & Safety Dashboard

The HEFMHS presented members with the dashboard on health and safety in the College.

He discussed mandatory training levels within the College. He commented that developments with the new HR system would allow for more accurate data, as the current system recorded all staff and that some of the training, for example display screen equipment, was not relevant to staff such as cleaners and kitchen staff.



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The new system would also take into consideration staff on maternity leave or long term sick.

Members noted that regular reports on mandatory training be provided to the Committee.

The HEFMHS confirmed to members that accident statistics were below anticipated levels, in many way thanks to proactive actions from staff in workshops and kitchens.

a) Members noted the content of the dashboard

F/24/013 Skills Transition Centre (Verbal)

The VPFCA informed the committee that a paper would be going to the Board of Management for approval of the Full Business Case which will likely be submitted in October 24 once the growth deal has been formally signed by UK and Scottish Governments.

a) Members note the update

F/24/014 Review of Risk

Risks were identified in their covering papers

F/24/015 Any Other Competent Business

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

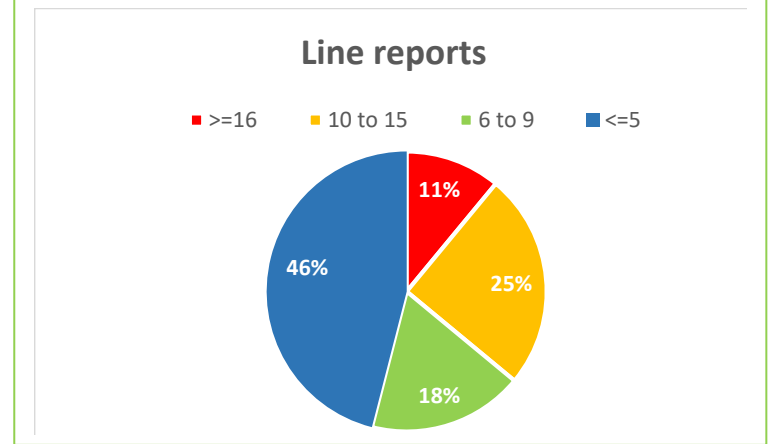
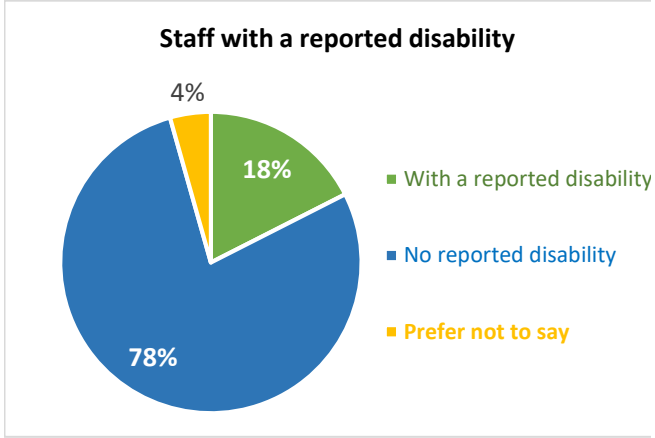
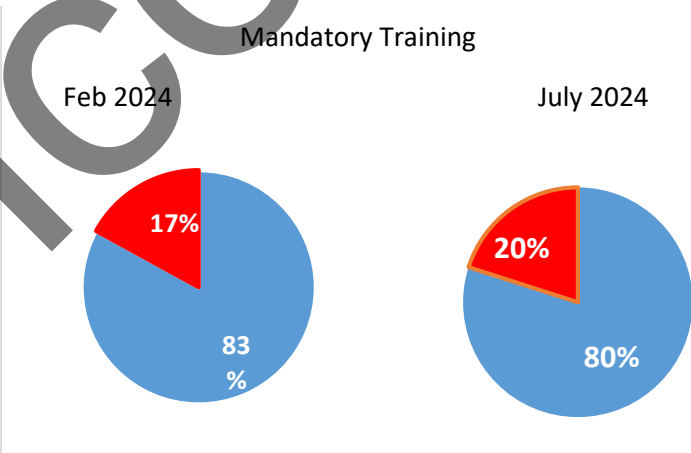
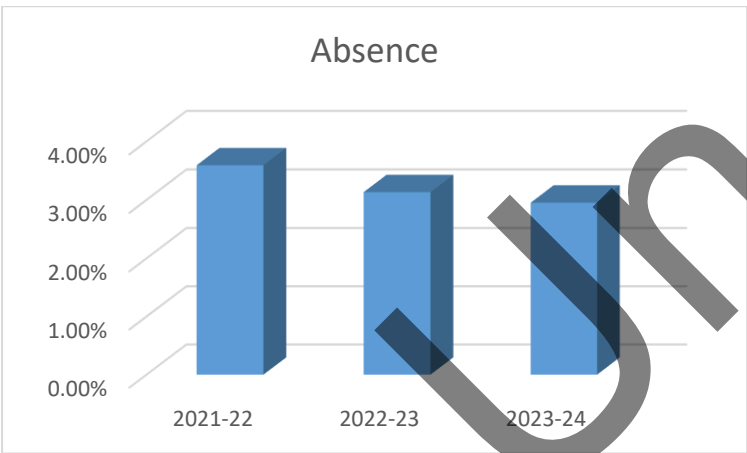
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Objectives against Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Comments
<ul style="list-style-type: none">Establishing a holistic approach to health and wellbeingSupporting our people to be all they can be	<div></div>	<div></div>	<div></div>	<div></div>	Delivery on track, SharePoint page with comprehensive offerings. Andropause guidance launched, application for CDN awards. Impact of Work Task Analysis
<ul style="list-style-type: none">Celebrating the contribution of all, as one teamEmpowering and nurturing a progressive leadership culture	<div></div>	<div></div>	<div></div>	<div></div>	Induction Procedure leading to Induction event including senior management. Range of policies updated and implemented including Professional Relationships Team Development Day, Launch of new Equalities group, new lead and revamp of Listening to Employees. Corporate Services development time agreed Leadership development 7 staff on Strategic or Emerging Leadership programmes, Also staff participating in CMI, Education in Leadership, Leading and Managing Change & HNC in Business

Timeline of Critical Activity (Feb-Jul)							Comments
	Feb	Mar	Apr	May	Jun	Jul	
<ul style="list-style-type: none">HRIS implementationImplementation of Health and Wellbeing planBudget ManagementInduction and ProbationConsultation	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	On-boarding launched July 2024 and performance management to follow
							Men’s health and Financial workshops run to meet current needs
							Challenges to budget ongoing but budget still on target and despite last minute concerns budget utilised as per plan
							Probation in place, trial induction event undertaken, contracts updated
							Robust process was undertaken to minimise risk to college and successful outcomes with savings realised and staffing goals achieved

Highlights	
<ul style="list-style-type: none">Implementation of new integrated HRIS going to planAgreement for Corporate Staff Development daysCorporate Services staff agree in overwhelming numbers to accept pay awardMoney Matters workshops and signposting to support implemented at key time	<ul style="list-style-type: none">9 staff undertaking TQFE, 10 staff taking PDA, and 12 staff taking L&D 9/11Disability Passport being introducedLinkedIn Learning continues offering CPD to <u>all</u> staffInduction trial event undertaken

Top Risks, Issues and Dependencies	
<ul style="list-style-type: none">Impact of consultation on retention, wellbeing and moraleLoss of Analyst resource and need to review and recreated all reportsLoss of Flexible Workforce Development Fund on CPD opportunities	<ul style="list-style-type: none">Strike action and pay unresolved impacting on morale and employee relationsASOS deductions and impact on relations



Recognising Success

Establishing a holistic approach to health & wellbeing

Evidence

How we will recognise success:

- Demonstrate our commitment to healthy working lives through our activities and through relevant accreditation

Seeking next level in Carers Positive accreditation- Achieved Carers Established level 2023

Maintained Disability Confident Employer status 2024

FVC delivers a range of First Aid for Mental Health Courses available and utilised by staff. These are accredited via First Aid Awards (FAA).

College awarded ‘Established’ level by Carer Positive Scotland.

Entry to CDN awards 2024 on Health and Wellbeing – Resilience

- Application and success in wellbeing awards

- Favourable feedback gathered through the surveys and maintenance of the high standards resulting in low reportable health and safety incidents

Initial findings produced in which to benchmark progress. HR undertaking short life working groups with staff to gather information and gain input

Wellbeing project run in 2023 to provide comparison figures with previous figures. No move in results during emotionally difficult period.

- Attendance at work comparable positively with sector

Starting point positive with colleges returning figures with FVC firmly in the mid-range in 2021/22. In 2022/23 absence reduced with long term absence returning to pre-Covid figures

- Evidence of consultation and support on key areas of change

LNCC, Listening to Employees, input on new induction process and on survey findings. New L2E’s terms of reference to include greater input into change. Creation of Equalities group with staff representatives 2023/24. Consultation in 2024 went positively with no substantive challenges to procedure or process.

- Continually review working patterns to support work-life balance and business need

Launch of new Hybrid Working Survey to influence decision making.

Hybrid Working Policy introduced for 2023-24

Staff working patterns being added to new HR/Payroll System to allow improved monitoring - 2024

Celebrating the contribution of all, as one team

Evidence

How we will recognise success:

- The College will use equality and diversity reporting and statistical evidence to identify and indicate the extent to which the organisation attracts and employs staff reflecting the diversity of the local community

EQIA’s undertaken on key policies and change, Training given to unions and managers. Creation of an equalities focused group with staff members (2023-24). New HR system able to monitor new categories including carers and forces volunteers

- Evidence of management and staff partnership working

Listening to Employees, LNCC, Induction SLWG. Cultural Survey SLWG, Work Task Analysis on Lecturing, Curriculum Manager and Department Administrator role, staff lead working groups (supported by managers) to look at service provision and enhancement

Introduction of LDW forum and Dept Admin forum to share best practice and improve and grow together

- Evidence from equality impact assessments to action and align to inclusive practices

Training for managers and unions put in place. Updated form to meet most recent best practice. Adjustments made during consultation process in to restructure to adapt to new information

EQIA’s uploaded to Internet for transparency 2023-24

Update of Bullying and Harassment Policy to reflect stronger protection for sexual harassment and introduction of a Professional Relationships Policy to protect staff and students

- Evidence of the staff experience from survey results and activities relating to decision making, communication, equality and team work

Staff team building day positive feedback, Listening to employees continues 2022, and refreshed Terms of reference for 2024, Cultural Survey. Launch of Hybrid Working Staff Survey resulting in continuation of Hybrid Working and new policy. Work Task Analysis for individual roles and Wellbeing survey (Update) 2023-24. Creation of Equalities group with staff representatives 2023/24

- Invest in innovative mental health and wellbeing support for staff throughout the College

Comprehensive offerings and information on SharePoint Clear training programme developed and published.

Utilisation of FWDF 2022/23

Work Task Analysis undertaken for academic roles resulting in implementation plan to respond to findings

Funding from ALF in 2022, 2023 and 2024

Money Matters workshops run throughout June following pay award with added advice for those on benefits:

- Savings and financial goals
- Money and Work
- Cost of Living, energy and support available.
- Credit and Debt
- Renting, mortgages and buying a home.

Funding secured for two new Active Travel Officers – they support active travel choices but an additional benefit of active travel eg walking, cycling is also improved wellbeing.

Supporting our staff to be all they can be

Evidence

How we will recognise success:

- The indicators for success are having staff with the required skills, performing highly in appropriate roles to realise the College’s vision and aims – quantified through a monitoring and evaluation of the personal review and development process (PRD) and activities which are undertaken, together with engagement in reflective practice and objective setting

Revalidation through GTCs of our PRD process. Access to LinkedIn Learning promoted as well as utilisation of FWDF for key development needs. Supporting soft skills and change, including courses on managing time, coping with change, working with a new boss.

Induction process review 2024 to proceed with probation to measure success and ensure best practice.

Data shows that of all staff employed in 2023 who were also employed in 2019, 20% are in promoted posts. This rises to 50% when excluding lecturers

Through the PRD process, together with engagement in reflective practice and objective setting, FVC invest in new Workbased Assessors, supporting them through their assessor and verifier qualifications, as well as any other awarding body specific requirements e.g. attendance at qualification update events.

- Measurement and evaluation of CPD activity

TNAs set, On budget, FWDF utilised

Use of Apt (public social partnership) for free training delivery linked to inclusiveness

13 staff achieved TQFE 2022-23

Empowering and nurturing a progressive leadership culture

Evidence

How we will recognise success:

- New managers undertaking a bespoke induction process
- The availability and utilisation of management and leadership programmes

In planning stage, staff involvement with positive feedback on new proposals. Initial update given to LMT and agreement to progress.

Ceannas, Executive, Developing and Strategic management levels through CDN provided to staff, CMI, Graduate Apprenticeships offered.

The Development and Fundraising Manager has undertaken training related to HM Treasury “Green Book” Business Case development. This need was identified to support the submission of the Growth Deal project.

- Mentoring and coaching programmes developed for all managers

Utilising bespoke coaching, and Leadership coaching, CDN provision of cost effective coaching programme for

- Quantify and analyse data and feedback from staff survey and staff groups on flexible work options

9 Staff supported TQFE 2023-24

83% of lecturing staff with TQ, 4% undertaking 6 % under two years' service and on route via support given by L&Q 2023/24

Improvements in Mandatory Moodle figures in Nov 2023 showing 79% compliance

Survey results being analysed and working staff groups set up, Hybrid Working policy introduced on findings Trial period until end 2024.

New survey to be launched Aug 2024

- Annual training needs analysis for all staff throughout the College linked to PRD

On target in 2023, TNA compiled for 2023-24 and utilising Linked In Learning and balanced against individual needs. TNAs send to departments for 2024/25

- Analysis of establishment and equalities data actioning change

Independent Equal Pay Audit undertaken, management training on EQIA completion and requirements. EQIAs undertaking for key policies, influencing decisions.

- Recognising and celebrating our success through multiple mediums

Work Load impact assessments undertaken during restructure 2024

E-focus articles appearing weekly, utilising media and SharePoint, Forces Covenant Silver Award, Finalist for Stirling Award 2022 and Doolan Award, Microsoft Showcase School recognition, Chartered Institute of Public Relations Nominee

Winner of ECI training provider of the year 2023 Winner Green Apple award 2023: EAUC Alliance for Sustainability Leadership in Education in partnership with West Lothian and Border Colleges - Nov 23

Finalists in Veterans Award 2024

Finalist in Heralds Award 2024 for Widening Participation

Finalist in the Green Gowns Award 2024 – Campus Health Food and Drink

- Change management training embedded and linked to significant changes or challenges

all. Collaboration with Fife College trialled and being reviewed.

Training programmes using flexible workforce development fund in progress, change management, transformational management, managing teams courses run during 2022 and 2023.

Business Transformation have trained managers in using the colleges Project Management methodology which includes change management

- CDN Awards 2023 winner for Professional Services Colleague of the Year Award;
- Highly commended for our Sustainability Action; Commended for our Digital Learning
- Finalist in the Green Gowns Award 2023 – Sustainability: Creating Impact category

Objectives against Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Comments
<ul style="list-style-type: none">Establishing a holistic approach to health and wellbeing (in line with the People Strategy) through:<ul style="list-style-type: none">Creating and maintaining a range of initiativesProviding accessible support optionsDeveloping a working environment that is flexible, adaptable and appropriateCelebrating and nurturing the individual and team contributionsProviding skills to manage and the support to adapt to change	<div></div>	<div></div>	<div></div>	<div></div>	<p>Strategic Health & Wellbeing Outcomes Framework for 23/24 was created and implemented and continually updated as more resources become available. There is now an updated Framework for 24/25. The Health & Wellbeing Outcomes Framework is intended to be a strategic and preventative framework and has been prepared in line with an overall commitment to developing the College’s approach to the provision of education and awareness learning for the workplace around health and wellbeing.</p> <p>The Health & Wellbeing Framework evidences the support available to staff to aid them to become involved in creating a culture of openness around health and wellbeing.</p>

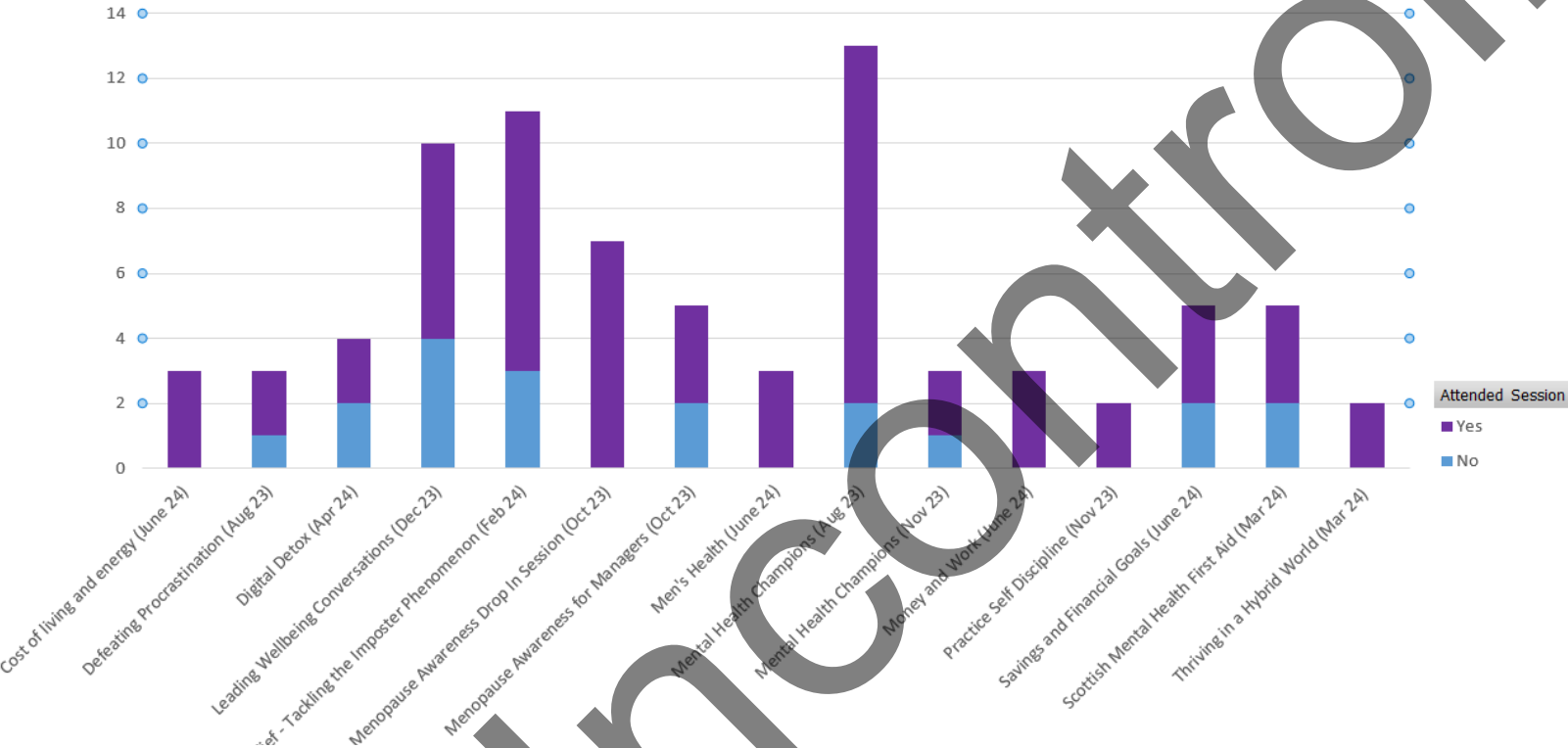
Timeline of Critical Activity (February - July)	Feb	Mar	Apr	May	Jun	Jul	Comments
<ul style="list-style-type: none">Health & Wellbeing webinar/support sessions scheduled/booked in until December 2024 with continual promotion. Health and Wellbeing Calendar Awareness Day/Month promoted via SharePoint page, efocus and Teams.Continued pro-active approach to Men’s Health including preparing to launch Andropause support and guidance.Reasonable Adjustment Disability Passport Guidance approved by LMT and Unions. Now preparing to launch guidance and training.Preparing to run The Wellbeing Project again for a third year as planned. The Health & Wellbeing Outcomes Framework updated with support introduced which is supported by evidence of the results.Work Task Analysis action plan approved/published and procurement process underway for future work task analysis.	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<ul style="list-style-type: none">Direct promotion of health and wellbeing as soon as staff return after summer.Introducing Andropause guidance. Visits from Andy’s Man Club.Training sessions for managers ready to roll-out in coming months.Action plan and most recent results have been published and will be highlighted on the re-run.Future work task analysis will focus of teams rather than specific roles.

Highlights	
<ul style="list-style-type: none">Additional college funding received to re-run essential health and wellbeing sessions were in place until June 2024. Courses such as Scottish Mental health first aid provided required knowledge for student facing staff and corporate services. Planning for future sessions were also promoted to assist staff over the age of 50 who also might have been considering voluntary severance. Additional money advice workshops were also run given the current climate.Andropause guidance was approved by LMT. Continuing with the pro-active approach to ensure that as many avenues of support are covered as possible.Work Task Analysis Action plan – following the successful work task analysis, the action plan is now in play and published on SharePoint. Some areas have already been actioned. This is led by Sarah Higgins, Vice Principal.The Wellbeing Project – bespoke workshops are ready to roll out to all line managers to compliment the addition of the reasonable adjustment disability passport.The Wellbeing Project – plans in place to rerun The Wellbeing Project Questionnaire. This will launch in October/November 2024. These results will determine the Teams to focus on for future Work Task Analysis and also provide a benchmark as to where health and wellbeing support is required.We gained Established Level for Carer Positive in June 2023. We will now aim for achieving the Exemplary Level which demonstrates our range of support for our workforce who have caring responsibilities throughout 2024.	<ul style="list-style-type: none">Feedback continues to be excellent from webinars/sessions run especially the practical Zinc session.Morale Boosters offered throughout the year is proving more popular each time whilst increasing promotion and awareness opportunities.Renewed “SuperChamps” for our Mental Health Ambassadors which is a learning portal to access and build knowledge/skills. We have extended resources out to other groups of people e.g. Student Services. Onboarding sessions have also been run to ensure staff with access get the most from the resource.Visit from Andys Man club, with dedicated time set aside to support STEM and Construction based on evidence on where to target support.Mental Health first aid booked throughout 2023/24 to ensure we have as many staff as possible equipped with the correct skills and knowledge to support those who may need it.Targeted training being proposed for departments to help them deal with workload through the Working Smarter Foundation.Working with PAM Wellbeing to promote more “In the moment support” access to a counsellor immediately.Have entered the CDN Awards for Health and Wellbeing and the Carer Positive Awards.

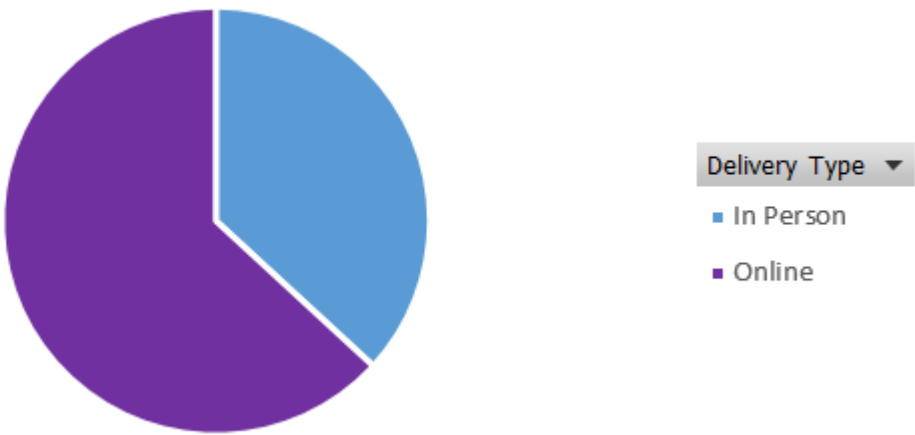
Top Risks, Issues and Dependencies

- Budget
- Staffing resource
- Staff not taking advantage of health and wellbeing initiatives and last minute dropout rates.
- Males not engaging with initiatives as much as females
- Practical drop in session are more attractive than webinars which may limit participation
- Wellbeing survey highlights workload, closely followed by lack of job security as key concerns and this won't be a quick fix.
- Work Task Analysis findings highlighted that simplifying work processes, communication, pastoral care and impact of student behaviours needed further investigation.

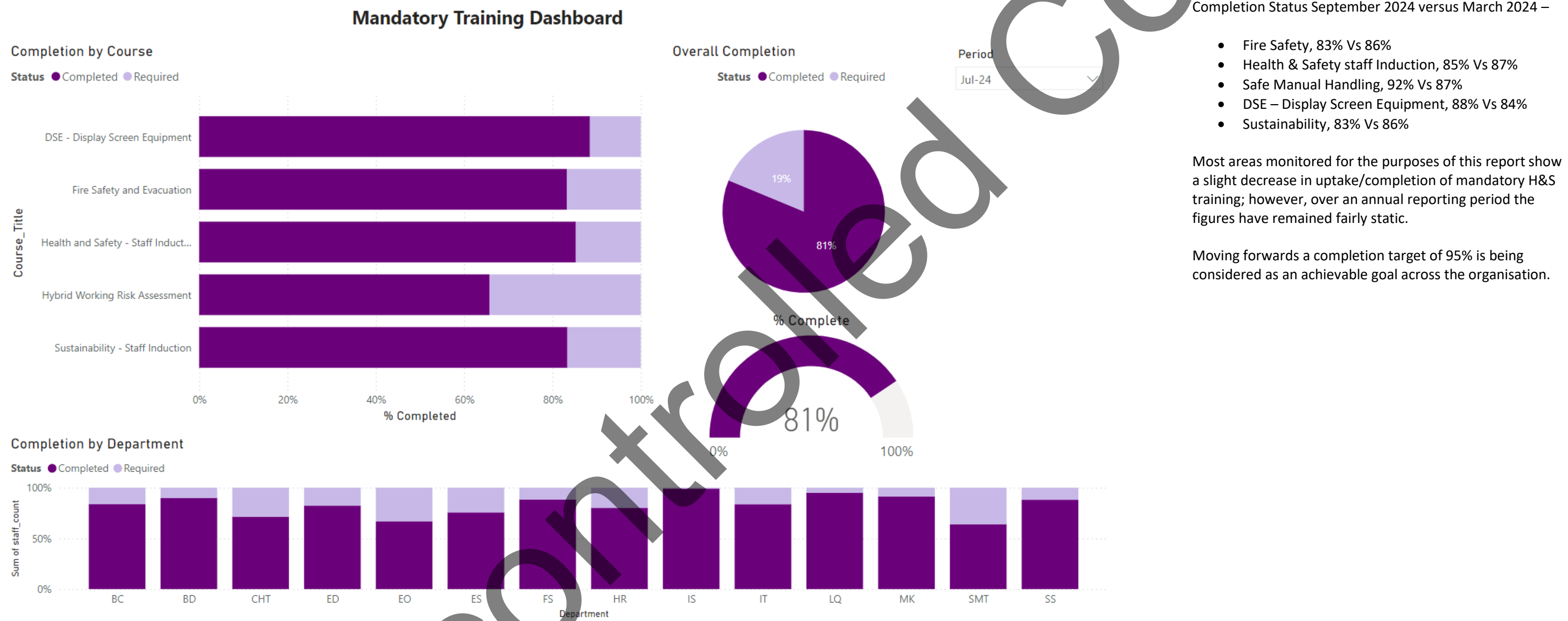
Attendance vs Non Attendance



Non Attendance vs Non Attendance



Mandatory Health and Safety Training (monitoring)



Estates & Health & Safety Document Review

Annual Policy Statement Review
Annual Emergency Evacuation Statements Review
Annual Sustainability Statement Review
Departmental Risk Assessment Review
Departmental Safe Systems of Work Review

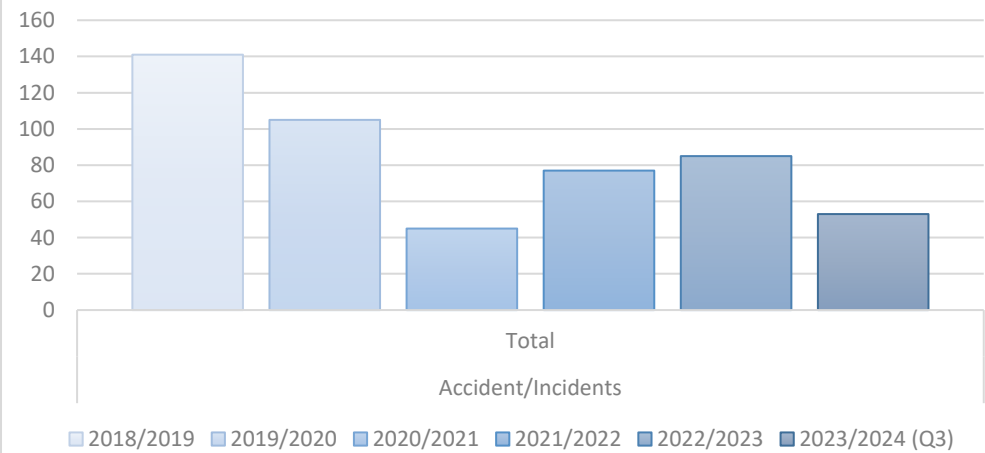


Comments

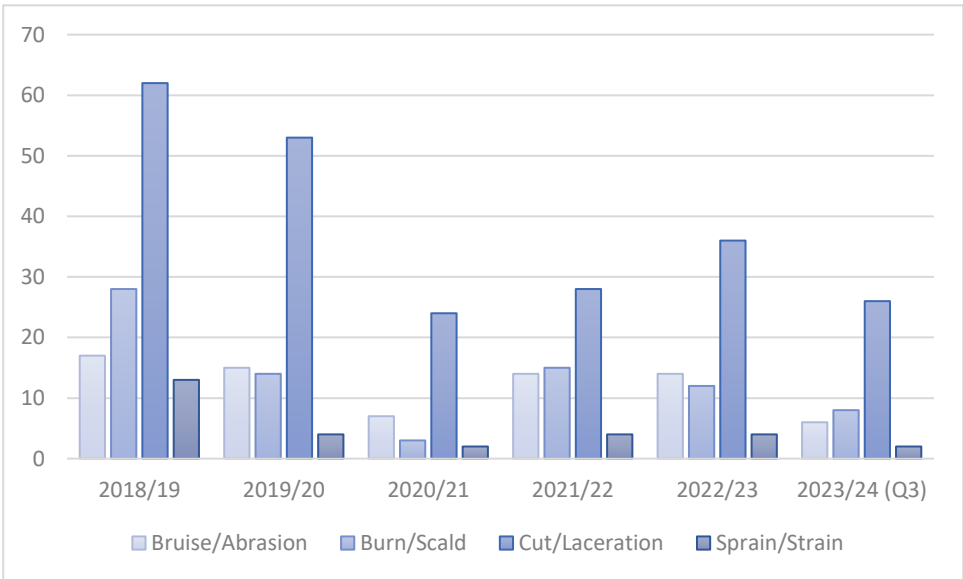
Complete
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March 2025

- FVC H&S Committee and Operational teams consisting a membership of Senior Management (committee), Estates management, Health & Safety and cross college trade union H&S representatives continue to meet on a quarterly/monthly basis.
- H&S policy, including statement of intent, organisation and responsibilities, and safety arrangements, systems and procedures are discussed, monitored and updated as necessary through these teams. Likewise, operational H&S matters continue to be discussed in this forum and acted on as necessary.
- A main focus for H&S moving into 2024 will be ensuring Safe Systems of Work or Standard Operating Procedures are available, suitable and refreshed to sit alongside associated Risk Assessments.

Historic Annual Accident Stats



- Key performance Indicator for accident/Incident reporting has been revised down from 100 to 90 for academic year 2023-2024 (previously reduced from 115 to 100 in 2022-2023). Data to end of Q3 indicates that we are currently on target to meet this KPI with a total number of Accidents/Incidents reported at 53.
- Academic year 2022-2023 showed a total number of reported accident/incidents of 85 (2021-2022, 77 accidents/incidents, 2010-2021, 45 accident/incidents reported).
- 2022-2023 can arguably be referenced as the first full year of 'business as usual' (BAU) since 2018-2019 following the Coronavirus pandemic. Even with that return to BAU the statistics from 2021 onwards, show a marked improvement on pre pandemic figures with the current reporting year sitting comfortably against figures reported for 2021-2022 and 2022-2023.



Forward Planning

Adopt a good practice '3 Section' approach to H&S policy
Continual review of H&S policy, arrangements & Organisational sections
Audit departmental Safe Systems of Works

Target Date

April 2025
Continual
March 2025

- Review and update H&S policy documents and procedures to collate into a 3 section policy – Statement of intent, Organisation and Arrangements.
- Target a review of a policy section every two months to ensure continued relevancy
- Following completion audit Pilot programme with Engineering, Construction and Science take on board lessons learned and roll out auditing process to all FVC departments to ensure Safe Systems of Work or Standard Operating Procedures are available, suitable and refreshed to sit alongside associated Risk and COSHH Assessments.



15. Forward Agenda For Information

27 September 2024
BOARD OF MANAGEMENT

1. Purpose

To present members with proposed forward agenda for consideration.

2. Recommendation

That members discuss the forward agenda items listed below and highlight any additional business they would like brought before the Board.

3. Background

Not applicable

4. Forward Agenda

	Dec 24	Feb 25	Apr 25	Jun 25	Sept 25
Apologies, Declaration of Interests and Changes to Members' Register of Interest	✓	✓	✓	✓	✓
FOR APPROVAL					
Minutes and Matters Arising	✓	✓	✓	✓	✓
Principal's Report	✓	✓	✓	✓	✓
Chair's Update	✓	✓	✓	✓	✓
Student Association Report	✓	✓	✓	✓	✓
Annual Report and Financial Statements	✓				
Audit Committee Chair's Report to the Board of Management	✓				
Forth Valley College Foundation Grant Applications			✓		
Revenue and Capital Budgets				✓	
Financial Forecast Return				✓	
Honorary Fellowship Nominations				✓	
Budget					✓
Board Secretary Arrangements					✓
FOR DISCUSSION					
Members meet with the Senior Independent Member in Private	✓				
College Dashboard	✓	✓	✓	✓	✓
FOR INFORMATION/NOTING					
Committee Minutes and relevant Dashboards	✓	✓	✓	✓	✓
Forward Agenda	✓	✓	✓	✓	✓
Board Calendar	✓				



15. Forward Agenda For Information

27 September 2024
BOARD OF MANAGEMENT

5. Resource Implications (Financial, People, Estates and Communications)

Not applicable

6. Equalities

Assessment in Place? – Not applicable.

7. Communities and Partners

Not applicable

8. Risk and Impact

Please complete the risk table below. Risk is scored against Likelihood x Impact, with each category scored from Very Low through to Very High. Risks should be robustly scored and, if the combined score (Likelihood x Impact) is higher than the Board Risk appetite for the risk category identified, additional justification must be provided on why this risk is necessary.

	Likelihood	Impact
Very High (5)		
High (4)		
Medium (3)		
Low (2)		
Very Low (1)	X	X

Total Risk Score – 2

BoM Risk Categories & Risk Appetite (Select one area only)					
Cautious <15		Open 15> <20		Eager >20	
Governance	X	Strategy		People	
Legal		Financial		Project/Programme	
Property		Reputational			
		Technology			

Failure to consider a range of reports at key points throughout the year could lead to missed deadlines or a reduction in the level of assurance members are able to take from the information presented.

The forward planner above supplements existing practices such as standing agenda items and the Action Tracker to mitigate this risk

Is the score above the Board Risk Appetite level? No

Risk Owner – Kenny MacInnes
Paper Author – Stephen Jarvie

Action Owner – Alison Stewart
SMT Owner – Alison Stewart

Briefing

Scotland's colleges 2024



AUDITOR GENERAL 

Prepared by Audit Scotland
September 2024



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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Audit team

The core audit team consisted of:
Tricia Meldrum,
Shelagh Stewart
and Katy Wilson,
under the direction of
Mark MacPherson.

Key messages

- 1** The financial challenges facing colleges have increased since we reported on [Scotland's colleges in 2023](#). While only 14 of 20 college accounts were available at the time of preparing this report, 11 reported deficits in 2022/23, which is already more than the eight in 2021/22. Scottish Government funding for colleges reduced by £32.7 million in cash terms in 2024/25, and has reduced by 17 per cent in real terms since 2021/22. Colleges are also forecasting reducing cash balances, which may present a risk to their ability to continue in their current form.
 - 2** Across Scotland, colleges employ 10,957 whole-time equivalent staff. Staffing costs make up around 70 per cent of colleges' expenditure and are a key focus for them as an area for cost reduction. Across the 14 colleges, this resulted in 496 staff leaving colleges through voluntary severance in 2022/23. Colleges are predicting further reductions in staff numbers in the coming years.
 - 3** The financial pressures and reductions in staff mean that colleges may not be able to do everything that they have done in the past, which will impact on the learning they provide. Colleges are taking steps to identify efficiencies and they are working with the Scottish Funding Council on actions to help them remain sustainable. But they also need more clarity from the Scottish Government on the aspects of their role to prioritise, given the scale of the challenges, to help them manage their funding.
 - 4** Last year we said that addressing the challenges facing the college sector cannot be avoided or postponed. But reform of the post-school landscape has not yet been implemented, causing continuing uncertainty and making it more difficult for colleges to plan effectively.
-

Recommendations

- By the time it issues the 2025/26 Letter of Guidance to the Scottish Funding Council (SFC), the Scottish Government should set out the priorities that colleges are expected to deliver, so that the SFC and colleges can manage their funding to meet those priorities.
- The Scottish Government should have early engagement with colleges and the SFC about these priorities so that they have as much time as possible to plan.
- The Scottish Government should increase the pace of reform that impacts on the college sector, by ensuring all groups involved are clear on what is expected of them and by when. By the end of 2024, the Scottish Government should set out detailed and timely milestones to deliver the programmes of work to reform the post-school skills sector.
- The SFC, working with Colleges Scotland and colleges, should highlight good practice and share learning on how colleges are innovating and finding opportunities to do things differently to address the financial challenges. This should happen on an ongoing basis.

1. Scotland's colleges deliver vital services

Colleges are vital to learners, communities and the economy

1. Our previous reports on the college sector have highlighted the vital role that colleges play.

Scotland's colleges offer academic and vocational courses to develop people's skills and knowledge for work, continued study or general interest. Students can choose to study full time, day release, evenings, block release or on an open learning basis. The courses that college students undertake contribute not only to their own development but also to Scotland's sustainable economic growth. Colleges are valuable hubs whose facilities may also be used for local community purposes, including as meeting spaces and sports venues.¹

2. Scotland's colleges are situated in 13 regional areas ([Exhibit 1, page 6](#)), serving diverse communities. In 2022/23, Scotland's colleges delivered education to 248,907 students who enrolled in 329,920 courses. The sector employed 10,957 whole-time equivalent (WTE) members of staff. Courses are available at a range of levels and include further education qualifications, higher education qualifications and apprenticeships.

3. Scotland's colleges play a particularly important role in supporting learners from more deprived communities to access learning. In 2022/23, 26.6 per cent of all school leavers went into further education at college, rising to 36.8 per cent of school leavers from the most deprived areas.² Scotland's colleges are similarly a valuable route to university. In 2021/22, 46 per cent of learners from the lowest socio-economic backgrounds who went to university progressed there from college.³

4. The Scottish Government sets national policies for learning and provides over three-quarters of the college sector's funding, which is allocated by the Scottish Funding Council (SFC) to colleges or Regional Strategic Bodies (RSB). SFC funding to colleges is based on outcome agreements. These set out the courses the college will deliver and how many students they can teach. The new outcomes framework and assurance model has replaced outcome agreements from academic year 2024/25.

Exhibit 1.

Scotland's colleges as at 1 August 2024

The colleges not listed in bold are subject to audit by the Auditor General for Scotland (AGS).



- College – incorporated, audited by AGS
- **College – unincorporated, not audited by AGS**

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

Note: On 1 August 2023, UHI North Highland and UHI Lews Castle became part of a new college called UHI North, West and Hebrides.

Source: Audit Scotland

5. The Fraser of Allander Institute has quantified the contribution Scotland's colleges make to sustainable economic growth.⁴ It estimated the 2016/17 to 2021/22 college graduate cohort would make the Scottish economy better off by around £52 billion over their 40-year working life, when compared to a scenario without these skilled graduates. They would help to boost labour productivity by two per cent across the Scottish economy in the long run.

6. This briefing is based on analysis of the 14 college Annual Audit Reports (AARs) and accounts for 2022/23 that were submitted by the end of June 2024. Six AARs and accounts were delayed for a variety of reasons including capacity pressures and further work to investigate specific issues. These delays meant that some audits were then impacted by the outcome of the triennial valuation of the local government pension scheme, which includes colleges as members. The triennial valuation at some of these colleges resulted in material change to the pension information disclosed in the accounts. This meant that further audit work needed to be completed before the auditors could conclude the audit.

7. The briefing also draws on other sources including:

- reports produced by the SFC, Scottish Government and Colleges Scotland
- evidence to Scottish parliamentary committees
- reports by other academic institutions

2. The financial challenges facing colleges have increased

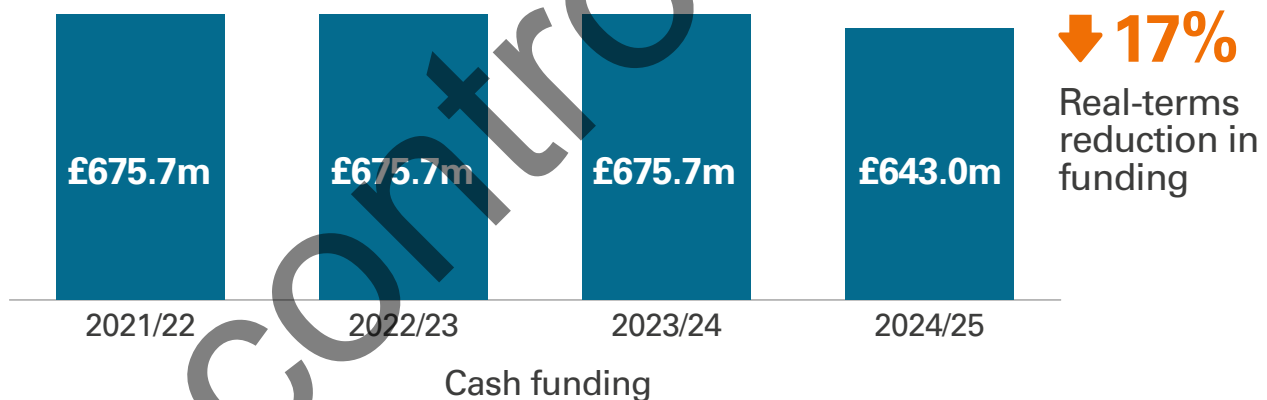
Real-terms resource funding for the sector has reduced by 17 per cent since 2021/22

8. Colleges rely heavily on Scottish Government funding. The Scottish Government's resource funding for the sector was static for three years from 2021/22, followed by a cash-terms reduction of £32.7 million in 2024/25 ([Exhibit 2](#)).

Exhibit 2.

Cash and real-terms resource funding for the college sector 2021/22 to 2024/25

Cash and real-terms funding have reduced since 2021/22.



Source: Audit Scotland analysis of Scottish Government budgets

9. The Scottish Government has also removed specific resource funds from its budget:

- An uplift of £26 million to support strategic change, additional to core college sector funding, was announced in the 2023/24 budget but later withdrawn to support pressures elsewhere.
- The £10 million flexible workforce development fund was removed in December 2023, impacting on the 2023/24 and 2024/25 budgets. This was used by eligible employers and small and

medium enterprises (SMEs) to fund retraining or upskilling of their employees. Training could be delivered in partnership with local colleges, providing them with additional income.

The financial health of the sector has deteriorated since 2021/22

10. The adjusted operating position, reported in college accounts, provides a measure of the underlying financial health of the college. An adjusted operating surplus is generally positive, while an adjusted operating deficit may be indicative of financial challenges. More colleges reported a deficit in 2022/23 than in the previous year ([Appendix 1](#)). Across all 20 colleges, eight reported a deficit in 2021/22. Across the 14 colleges where we have figures for 2022/23, 11 reported a deficit.

Colleges and the SFC are becoming increasingly concerned about cash balances and the liquidity of the college sector

11. Colleges report their end-of-year cash balance within their annual accounts and in financial returns to the SFC. This measure is only a snapshot in time and can fluctuate depending on when payments are due. A large payment could quickly reduce an end-of-year cash balance. It can also include cash that is not available to a college. For example, Edinburgh College had a cash balance of £5.7 million at 31 July 2023, but only £0.7 million was available for operational purposes. Five million pounds was reserved for reasons including pay award arrears ([paragraph 19](#)) and student support.

12. That said, the cash balance is a useful indicator of financial flexibility, which can demonstrate whether there is enough money available in the sector to deal with unpredictable challenges. [Appendix 1](#) shows cash balances across colleges. Some college auditors highlighted concerns about cash balances ([paragraph 25](#)).

13. The SFC's report, [Financial Sustainability of Colleges in Scotland 2021/22 to 2025/26](#), also expressed concerns about cash balances. It stated the sector had an aggregate cash balance of £141.4 million at the end of July 2022 but that was forecast to deteriorate to a cash deficit of £4.2 million by the end of July 2026.⁵ The SFC will report the cash balance at end of July 2023 in its next annual report on the financial sustainability of the sector.

Colleges are facing other significant challenges

14. In the context of real-terms reductions in funding, Scotland's colleges continue to experience challenges containing costs ([Exhibit 3, page 10](#)). Many of these challenges are not new but are becoming increasingly difficult to manage.

Exhibit 3.

Significant areas of risk for colleges

This is a cross-section of the numerous risks affecting colleges.

- Inflation, interest rates and energy costs.
- The investment required to achieve public sector net zero targets, especially in relation to the college estate.
- Infrastructure costs and maintaining the estate in good order.
- Investment required to invest in digital.
- Difficulties in attracting and retaining students and staff.
- The requirement for colleges to self-fund staff restructuring and voluntary severance package costs.
- Competition from private sector training providers.
- Competition from some universities.
- The challenges of raising income from non-teaching activities.
- The impact of cost efficiencies on staff wellbeing and the student experience.



Source: Scottish Funding Council, Audit Scotland

Colleges are making redundancies to reduce their costs but funding them is a further short-term financial pressure

15. Staff costs account for around 70 per cent of colleges' expenditure and we have reported in previous years that managing staff numbers is an approach to reducing costs. Colleges are seeking to reduce costs by offering voluntary severance schemes to staff.

16. In 2022/23, across the 14 colleges we have data for, 496 staff left through voluntary severance schemes. This is in addition to the 231 members of staff who left these colleges through voluntary severance in 2021/22. The Scottish Government and SFC do not provide specific funds for staff severance costs through the funding model. Meeting the costs of staff restructuring and voluntary severance packages is a significant cost pressure for colleges. Across the 14 colleges, the cost of voluntary severance packages in 2022/23 was £12.2 million. [Appendix 2](#) shows the number of staff that have accepted voluntary severance and the cost at each college where we have data.

17. Colleges plan to continue running voluntary severance schemes to help deliver savings. Some colleges report that voluntary severance is part of a transformation plan ([paragraph 25](#)). As a sector, colleges have not ruled out the need to turn to compulsory redundancy schemes to deliver the savings required. The Scottish Government's policy of no compulsory redundancies does not formally cover colleges; however colleges need to have regard to the policy. Colleges need approval from the SFC before they can launch a voluntary severance scheme. The colleges in a regional strategic body (RSB) ([paragraph 44](#)) also need approval from the RSB. SFC approval is based on assessing the college's business case that sets out the rationale for the scheme and includes the terms available, estimated cost and savings. Colleges need to consult the SFC in all cases where compulsory redundancies are being considered.

18. The SFC's [financial sustainability report](#) sets out colleges' forecasts for the reduction in staff required to balance their budgets. These estimated a required reduction of 2,387 WTE staff across the sector between 2022/23 and 2025/26.⁶ This equates to the potential removal of 21 per cent of WTE staff. Colleges highlighted the impact this would have on the student experience and the risks to them being able to provide the same breadth and quality of courses.

Failure to agree pay deals has impacted on learners but agreement has been reached recently

19. Pay deals are negotiated through the National Joint Negotiating Committee. This brings together College Employers Scotland, the representative body of colleges as employers, and the college sector unions. Uncertainties around staff pay are a pressure on planning college finances. From September 2022 there was no agreed pay deal for college support staff or lecturing staff. The sector has seen industrial action, such as strike action, for several years, and action short of strike (including a resulting boycott since 2022, where the results of assessments were not entered into a college results system). These have impacted on learners.

20. In June 2024, support staff agreed a three-year pay offer covering 2022/23 to 2024/25. Lecturing staff agreed a four-year pay offer in September 2024, covering 2022/23 to 2025/26, after the Scottish Government made an additional £4.5 million available to the sector for this purpose. These agreements provide colleges with certainty about pay costs over these time periods.

21. The need for a job evaluation process for support staff roles was first identified in 2015/16 and progress has been very slow. College Employers Scotland is now developing a critical path and milestones for this work, and agreeing with the unions how they will work together to meet the milestones. Resolving this issue will allow support staff to have certainty over the grading of their role and provide colleges with more certainty on pay costs.

There has been a steady decrease in the funds held in ALFs

22. Colleges can apply for funds from arm's-length foundations (ALFs). These are independent, charitable bodies that were set up when incorporated colleges were reclassified as public bodies and could no longer retain significant cash reserves. Colleges can donate funds into ALFs and can also apply to ALFs for funding for specific purposes. Other organisations can also donate to, and apply for funding from, ALFs.

23. The SFC has reported that there has been a steady decrease in the funds held in ALFs over the last decade, from £99 million in 2014 when they were first established to £12 million in 2023.⁷ Forecasts show £9 million is expected to remain in ALFs in 2024, nine per cent of the original balance after ten years. This means that colleges are less able to consider ALF funding as part of their planning.

Colleges and the SFC are taking action to help alleviate the financial challenges but need more clarity from the Scottish Government on priorities

24. As the scale of the challenge to their financial sustainability continues to increase, colleges need to make difficult savings decisions to manage their financial positions. These will impact on students, staff and local communities. There are examples of colleges making changes to what they deliver, such as consolidating campuses or stopping nursery care for student parents. Colleges state they are trying hard to minimise the impact on learners and deliver the same levels of service. However, concerns are growing within the sector about their ability to deliver high-quality learning experiences in the coming years. The National Union of Students has also raised concerns about colleges' ongoing ability to provide students with the additional support they need to learn.⁸

25. Colleges are responding to the financial challenges in different ways. This includes implementing financial recovery plans to reduce their cost base. Below we list some examples of the financial challenges colleges are experiencing and how they are responding:

- **Dumfries and Galloway College** had a small surplus AOP of £7,000 for 2022/23. The college planned to save £0.511 million in 2022/23 and this was delivered in full through closely monitoring costs and by reducing additional staff hours. Nine members of staff (four per cent) took voluntary severance in 2022/23 costing £0.186 million. The college forecasts it will make a surplus of £34,000 in 2023/24 and a higher surplus for the following two years.

The college is currently implementing a transformation plan to help safeguard financial sustainability. It has reported that current staffing levels are not sustainable, and voluntary severance is part of the

transformation plan. The college aims to make savings by reducing manual processing, investing in digital learning, service redesign and increasing commercial income developments. The college reports it regularly evaluates its curriculum to identify the scope for any efficiencies in what it delivers.

- **Dundee and Angus College** had a deficit AOP of -£0.086 million for 2022/23, an improvement on the previous year's deficit of -£1.450 million. It is forecasting a deficit in 2023/24, moving to a surplus from 2024/25. Cash balances were £5.533 million in 2022/23, a decrease from £6.248 million the previous year.

The college reported it achieved £1.8 million in cuts through a major savings plan implemented in April 2022 for 2022/23. Fifty-seven staff took voluntary severance in 2022/23 costing £1.501 million. The college launched a further major savings plan in April 2023 to reduce expenditure by a minimum of £2.5 million for 2023/24. This includes looking at areas of the curriculum where student credits (the volume of activity) have reduced by 10 per cent, changes to support services and a restructure of senior promoted posts.

- **Glasgow Kelvin College** had a deficit AOP of -£1.266 million for 2022/23. This was partly due to costs associated with voluntary severance and the relocation of courses from its west campus. This campus will close, to be sold or leased, to help support financial sustainability. Twenty-seven staff took voluntary severance in 2022/23 costing £0.792 million, with further schemes planned for 2023/24 and 2024/25. Cash balances were £4.154 million at end of year, a very small decrease from £4.157 million the previous year.

The college forecasts a further deficit for 2023/24 of -£0.5 million, returning to a surplus in the following two years. The forecast for a surplus assumes the college will achieve its planned voluntary severance schemes from 2023/24 to 2024/25. Savings are also required through the college estate and other costs, with a drive to increase income.

- **New College Lanarkshire** had a deficit AOP of -£3.6 million for 2022/23, an increase from -£1.8 million the previous year. Sixty staff left the college under voluntary severance in 2022/23 at a cost of £1.286 million but the college reported that this did not deliver the recurring savings budgeted.⁹ Voluntary severance schemes have taken place in the last three financial years resulting in 118 staff leaving. The college forecasts it will break even in 2023/24 but be in a deficit position up to 2025/26.

The 2023/24 budget paper contained cashflow projections and emphasised the college's precarious liquidity position. Cash balances were £1.985 million at year end, a decrease from the previous year's £5.561 million. At the time of completing the 2022/23 audit, New College Lanarkshire was in early discussions

with the SFC around a financial recovery plan. The college reports it plans to arrive at medium-term financial sustainability through focusing on improvements in resource and curriculum planning, further cost control measures in non-staff expenditure and increasing other income streams.

26. The SFC offers additional help and advice to colleges when required. It is currently working at a higher level of engagement with a small number of colleges to help them understand and assess their problem areas. The SFC has a range of options available when a college is experiencing financial difficulty, including helping to develop a recovery plan or providing loans or temporary cash funding when cash levels are of concern. The SFC requires colleges to develop plans to bring them back to a sustainable financial position.

27. The Scottish Government published its [Purpose and Principles](#) document and an initial priorities statement, in June 2023. At [paragraphs 38–42](#) we discuss the ongoing reform of the sector. More immediately, colleges need more clarity from the Scottish Government on the aspects of their role to prioritise, in light of the increasing financial challenges and the breadth and diversity of their role. Colleges are currently making fundamental decisions about their future services without this clarity.

28. The SFC is introducing a new [Outcomes Framework and Assurance Model](#) from academic year 2024/25. This is intended to give colleges more freedom to develop their own strategic plans and more flexibility around their own priorities. The SFC will set out its expectations of colleges, but these are intended to be less prescribed in advance with a greater focus on outcomes.

The SFC introduced changes to the funding model to ease financial pressures

29. The SFC has taken some action to alleviate colleges' financial challenges through changes to the funding model, introduced in 2023/24, with some applied retrospectively to 2022/23. These include:

- Lowered thresholds (the minimum required level below the target) for the number of credits (the volume of activity) that colleges are required to deliver. This is intended to reduce the risk of colleges being required to pay back money to the SFC for under-delivery against the target and to give colleges more certainty for planning.
- Teaching funds were protected in college allocations alongside these lowered credit thresholds. This means that while teaching funds remain the same, colleges have lower targets for the learning activity they need to deliver. This effectively results in a consequent increase in the price that the SFC pays per credit.

- 20 per cent of colleges' teaching funding will not be associated with the delivery of credit thresholds and so protected from any under delivery of credits (also applied retrospectively).
- A change to the 'required date' when a full-time student can be counted, in line with the university sector (also applied retrospectively).

30. It is too early to say whether these changes will help colleges to reach a more sustainable financial position. The SFC has confirmed that funds for teaching have been protected in college allocations for 2024/25, alongside maintaining the lowered credit thresholds.

It is taking a long time for the SFC's strategic approach to infrastructure to result in priorities for investment decisions

31. The SFC published a [College Infrastructure Strategy](#) (CIS) in November 2022, setting out the SFC's approach to determining future investment in Scotland's college estate and other college infrastructure. This was followed in December 2023 with the [CIS Delivery Plan](#), which supports the development of an Infrastructure Investment Plan (IIP) for the sector. The aim of the IIP is to help prioritise infrastructure investment decisions through considering all college requirements against the funding available.

32. The IIP was originally due in November 2024 but will now be later. The SFC has stated it will publish revised timescales for the IIP in an updated delivery plan in October 2024. When complete, the IIP will set out infrastructure investment need and include the options for alternative funding models. It is taking a long time for this strategic approach to help prioritise investment decisions within available funding.

33. The SFC has still to publish a plan for monitoring this work, but the commitment within the initial CIS is to report within three years. It has stated that an evaluation report against the delivery plan will be available in December 2026, with the intention to update on progress every three years.

The college sector has been affected by issues with Reinforced Autoclaved Aerated Concrete (RAAC)

34. Colleges continue to report on the challenge they face in maintaining their estate in good order. The SFC has identified that seven colleges have RAAC.¹⁰ Three college auditors reported on the implications of RAAC within their buildings. Dundee and Angus College has not needed to implement any restrictions on use; however, the remaining economic life of the affected buildings has been reduced and their value has decreased. West College Scotland has not needed to implement restrictions but the whole building has been impaired to nil from its net

book value of £1.8 million. Glasgow Clyde College has implemented restrictions at its Cardonald Campus and it has seen a reduction in value. There is a risk that RAAC will impact on the value of the college estate and on a college's financial position. The financial impact of RAAC may not be fully felt until a college needs to undertake restorative works or try to sell affected buildings. The impact of RAAC on college estates will be covered within the ongoing CIS work and considered as part of the strategic approach to prioritising investment decisions.

Colleges are working with other organisations in their region

35. Colleges are working with other organisations in their regional economic partnerships. Examples of collaborations include:

- **Ayrshire College** is involved in partnership working through various initiatives, including chairing the Regional Economic Strategy Skills Delivery Group. It has developed bespoke training opportunities through the Ayrshire Growth Deal and Regional Economic Strategy, including fast-track programmes for aerospace and high-speed cable manufacturing. The college is also a key provider for the Ayrshire Skills Investment Fund, a £3.5 million Ayrshire Growth Deal funded project to develop skills in growth sectors.
- **Dumfries and Galloway College** works in partnership with University of West of Scotland (UWS). This includes UWS using a college building, so estates costs are shared, and the college receives income for the use of the building. The college is also active with other partners within the South of Scotland Regional Economic Partnership.
- **Dundee and Angus College** works with partners across the Tay Cities region. This includes the Michelin Scotland Innovation Parc Skills Academy, which opened in October 2023, and the college reports it is the lead skills partner, delivering skills including low carbon, green energy, hydrogen and offshore wind.
- **North East Scotland College (NESCol)** works with groups focused on stimulating regional economic transformation in the North East, including on the Regional Economic Strategy, Regional Learning and Skills Partnership, Aberdeen City Council's Multi-Agency Transformation Management Group and the National Energy Skills Accelerator (NESA).

36. The SFC initiated a programme in September 2022 to explore improved joint working through regional tertiary pathfinder projects. The aim of this pathfinder work is to secure simpler pathways and improved outcomes for learners and to align provision with the needs of the region, including employer needs. Seven pilot projects are taking place in North East Scotland and South of Scotland and evaluation reports are due in

autumn 2024. The pilots are not yet fully complete but have produced some outputs already, including:

- Scotland's Rural College (SRUC) and Borders College launched a [joint prospectus for 2023/24](#) on rural skills, with learning opportunities available from SCQF Level 4 (National 4) to Level 12 (Doctoral Degree) and an enhanced curriculum across various areas.
- An Energy Career Pathways [Tool](#) and [Website](#) were launched in March 2024 by Robert Gordon University, University of Aberdeen and NESCol on behalf of NESA. NESA helps the energy industry access training and skills development programmes in its partner institutions. The tool identifies the qualifications required for specific jobs in the renewable energy sector and sets those within a learning pathway.

The Tripartite Alignment Group has helped collaborative working

37. A [Colleges: Tripartite Alignment Group](#) was initially established as a three-month initiative in summer 2023, but has been extended. Members are the Scottish Government, SFC and the college sector, through Colleges Scotland. It was established to bring together senior leaders with the right experience and knowledge to work through the urgent pressures and opportunities facing colleges.¹¹ It has worked on the following areas:

- **Credit flexibilities.** Developments in 2022/23 are mentioned at [paragraph 29](#). Further work by SFC is planned in 2024 on the model used to allocate funds to colleges, including liaison with the Tripartite Group on proposed changes. This will feed into the Scottish Government budget-setting process and college budget allocations for 2025/26.
- **Asset disposal.** This work is developing an agreement and guidance on what happens to the funding when a college sells an asset, such as a building. It is considering the circumstances where a college might retain a proportion of the sale proceeds, while the remaining money goes into a shared pot. The group hopes to trial new arrangements on asset disposal to encourage colleges to make more flexible use of their assets and it will issue refreshed guidance after that.
- **Cost methodology.** A benchmarking programme to better understand costs and develop a consistent method for calculating the full cost of delivering the range of college services to learners is at an early stage.

3. There is continuing uncertainty about reform of the college sector

The Scottish Government needs to respond to the independent reviews affecting the post-school landscape more quickly

38. Two major independent reviews were published in June 2023 making recommendations for the post-school skills delivery system: the [Withers review](#) of the post-school learning system and the [Hayward review](#) of qualifications and assessment. The Withers review recommended that the Scottish Government should redesign the process for how funding of all learning and training provision, including apprenticeships, is allocated to ensure it is prioritised to deliver strategic outcomes and best value for public investment. It also recommended establishing a single funding body and ensuring that colleges and universities are equally valued and afforded equal esteem within the system.

39. There has been limited progress in implementing these recommendations, causing continuing uncertainty for colleges. In June 2024, the Scottish Government launched a consultation that will impact on reform of the sector. The [Post-school education and skills reform legislation: consultation](#) asks for views on changing what public bodies do in the post-school system in order to simplify responsibilities for apprenticeships and student support. The consultation ends in September 2024.

40. The Scottish Government announced the groups it has put in place to take forward reform across the education system in November 2023, sitting under an Education and Skills Reform Ministerial Group. The governance structure includes a Post-school Education and Skills Reform Programme Board (the Programme Board). These arrangements are fairly new, with the Programme Board meeting since autumn 2023, the Education and Skills Reform Chief Executive Forum meeting since January 2024 and the Ministerial Group only meeting since May 2024. These arrangements are running in parallel with the Tripartite Alignment Group ([paragraph 37](#)).

41. The Programme Board currently has five areas of work: simplification of the funding body landscape; national and regional skills planning; apprenticeship reform; careers; and post-school qualifications. The Scottish Government is developing an overall plan setting out the

workstreams, responsibilities, interdependencies, phasing and timeline for a programme of post-school skills reform over a ten-year period. At this stage, it has not yet confirmed what is expected to be achieved in the short term and longer term.

42. The groups tasked with taking forward reform are expected to monitor progress, but the Scottish Government has not yet set out how it will report on this publicly. It has provided recent updates to the Scottish Parliament Education, Children and Young People Committee, in March and June 2024.

43. Updates on areas of reform include:

- **Simplification of the funding body landscape.** This work takes forward the ministerial commitment to bring learner support funding and apprenticeship provision together in the one place. The Scottish Government's consultation ([paragraph 39](#)) seeks views on two options which will impact on the role of the SFC, Skills Development Scotland (SDS) and the Student Awards Agency Scotland.
- **A new national skills planning approach** is to be designed by March 2025. This will be a Scottish Government-led skills planning function.
- **An approach for strengthening regional skills planning.** The Scottish Government has been engaging with the college sector and Regional Economic Partnerships to understand different models of setting skills priorities according to local strategies. It intends to share guidelines for developing a regional skills planning approach in September 2024.
- **Apprenticeships.** The Scottish Government has taken a staged approach to identifying improvements in the approach to funding apprenticeships. The current consultation is seeking views on this.

The Scottish Government has made slow progress in taking forward recommendations on regional arrangements

44. There are three regional arrangements, known as Regional Strategic Bodies (RSBs), in place in Lanarkshire, Glasgow and the Highlands and Islands. In 2020, the SFC published reviews on each of the regional arrangements. It recommended that the Lanarkshire RSB should be dissolved and that the three Glasgow colleges and the Glasgow RSB should explore other organisational options. In June 2024, the Scottish Government launched a consultation on changes to regional arrangements in Glasgow and Lanarkshire which closes in September 2024.

45. The regional arrangements for the Highlands and Islands colleges are very different from Lanarkshire and Glasgow because they involve a model where the University of Highlands and Islands (UHI) is the RSB. In March 2024, the Minister for Higher and Further Education; and Minister for Veterans stated that the colleges were to work constructively together, with the support of SFC and the UHI, to bring forward a recommended option for reform that will put them on a more sustainable footing for the long term. UHI and the colleges are working to develop a target operating model which they plan to discuss with the SFC towards the end of 2024. UHI will then consult on proposals before a new operating model is agreed.

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Endnotes

- 1 [Scotland's colleges 2023](#), Audit Scotland, September 2023.
- 2 [Summary Statistics for Attainment and Initial Leaver Destinations](#), Scottish Government, February 2024.
- 3 [Report on Widening Access 2021–22](#), Scottish Funding Council, July 2023.
- 4 [The economic contribution of colleges in Scotland](#), Fraser of Allander Institute, October 2023.
- 5 The SFC asks colleges to submit financial forecasts. These figures include unincorporated colleges ([Exhibit 1, page 6](#)), not audited by the AGS. As with any forecast, what happens can be different to what was forecast.
- 6 This figure is from the forecasts for all 26 colleges included in the SFC report. It includes the six unincorporated colleges that are not audited by the AGS.
- 7 Data provided by the SFC, June 2024.
- 8 [Broke Students, Broken System – NUS Scotland](#), February 2024.
- 9 Figures included in the text relate to the college only and might not match internal reporting or reporting to the SFC as this includes the group subsidiary.
- 10 [Reinforced Autoclaved Aerated Concrete \(RAAC\), SFC, February 2024](#).
- 11 [Colleges – Tripartite Alignment Group: terms of reference](#), January 2024.

Appendix 1

Adjusted Operating Position and cash balances across colleges, 2022/23

College	2022/23 Adjusted operating position		Compared to 2021/22	Cash Balance at 31 July 2023 £m
	Total surplus or (deficit) £m	Surplus or deficit as % of income		
Ayrshire College	(1.153)	-2.2%	↓ Worse	11.685
Borders College	(0.050)	-0.3%	↓ Worse	3.881
City of Glasgow College	(2.836)	-2.9%	↓ Worse	10.559
Dumfries and Galloway College	0.007	0.0%	↑ Better	2.053
Dundee and Angus College	(0.086)	-0.2%	↑ Better	5.533
Edinburgh College	(0.063)	-0.1%	↑ Better	5.706
Fife College	0.284	0.5%	↓ Worse	23.409
Glasgow Clyde College	(0.496)	-0.9%	↓ Worse	10.143
Glasgow Kelvin College	(1.266)	-3.9%	↓ Worse	4.154
New College Lanarkshire	(3.573)	-6.3%	↓ Worse	1.985
North East Scotland College	(0.180)	-0.3%	↓ Worse	7.887
South Lanarkshire College	(0.253)	-1.3%	↓ Worse	3.263
West College Scotland	0.400	0.6%	↓ Worse	11.080
West Lothian College	(1.717)	-8.6%	↓ Worse	1.575

Notes:

1. To allow consistency, the figures used are for the college only and do not include balances related to group entities. This means figures may differ from SFC data or colleges' internal reporting.
2. This does not include the six colleges for which we did not have completed accounts and AARs at the time of reporting: Forth Valley, Inverness, Lews Castle, Moray, North Highland, Perth.

Source: Accounts and AARs 2022/23

Appendix 2

Voluntary severance numbers and cost

College	WTE staff at July 2023	VS take-up (staff) 2022/23	VS cost 2022/23 £m
Ayrshire College	667	53	1.385
Borders College	214	12	0.176
City of Glasgow College	1127	88	2.155
Dumfries and Galloway College	202	9	0.186
Dundee and Angus College	633	57	1.501
Edinburgh College	957	47	1.278
Fife College	843	26	0.753
Glasgow Clyde College	709	45	1.092
Glasgow Kelvin College	424	27	0.792
New College Lanarkshire	912	60	1.286
North East Scotland College	491	20	0.636
South Lanarkshire College	285	Not applicable at this time	0
West College Scotland	824	50	0.861
West Lothian College	293	2	0.111
Total	8,581	496	12.212

Notes:

1. To allow consistency, the figures used are for the college only and do not include balances related to group entities. This means figures may differ from SFC data or colleges' internal reporting.
2. This does not include the six colleges for which we did not have completed accounts and AARs at the time of reporting: Forth Valley, Inverness, Lews Castle, Moray, North Highland, Perth.

Source: Accounts and AARs 2022/23

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