

Board of Management

You are invited to attend a meeting of the **Board of Management** to be held on **Thursday 27 March 2014** in the **Kildean Suite, Stirling Campus** at **4.30pm**. Refreshments will be available from 4.00 pm

Presentation Lecturers Monica McLeod & Richard Reid. Finalist and winner of the TES FE Most Innovative Teacher of the Year Award 2014. (See For Information papers for further detail)

Agenda

1. Apologies for Absence
2. Declarations of Interest
3. Forth Valley College Foundation James Callander

FOR APPROVAL

4. Minute of Board of Management of 12 December 20134
5. Matters Arising
 - a) B/13/019 Annual Report and Financial Statements 2012-13
 - b) B/13/027 New Falkirk Campus – The Concept
 - c) B/13/027 Funding Strategy
6. Minutes and draft minutes of other Committees:
 - a) Audit Committee – 6 February 2014
 - b) Strategic Development Committee – 13 March 2014
 - c) HR (Inc Nomination) Committee – 18 March 2014
 - d) Finance Committee – 18 March 2014
7. Tuition Fees and Fee Waiver Policy David Allison
 (Paper 7 is withheld from publication on the Forth Valley College website under Section 25 Information Otherwise Accessible of the Freedom of Information (Scotland) Act 2002 – <http://www.forthvalley.ac.uk>)
8. College Regional Outcome Agreement 2014-17 David Allison
 (Paper 8 is withheld from publication on the Forth Valley College website under Section 25 Information Otherwise Accessible of the Freedom of Information (Scotland) Act 2002 - http://www.forthvalley.ac.uk/about/corporate_information/college_reports)
9. College Operational Plan Ken Thomson
10. College Process for Working with Foundation Alison Stewart
11. Capital and Maintenance Budget 2014/15 Alison Stewart
 (Paper 11 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.)
12. Budget 2014/15 Alison Stewart
13. Extension of Internal Auditor Appointment Alison Stewart

FOR DISCUSSION

14. Principal's Report Ken Thomson
15. Board of Management Transitional Arrangements Alison Stewart
16. Student Union Report David Gentles
17. Strategic Dialogue Meeting with SFC Ken Thomson

18. Review of Risk
19. Any other competent business

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Board of Management

Meeting:	Board of Management
Location:	Boardroom, Falkirk Campus
Date:	12 December 2013 (commencing at 4.30pm)

Present:

- Mr Hugh Hall (Chair)
- Mrs Anne Mearns (Vice Chair)
- Dr Ken Thomson (Principal)
- Mrs Shona Struthers
- Mr David Gentles
- Dr Bill Blair
- Mrs Elaine McGeorge
- Mr Colin Alexander
- Mr Ken Richardson
- Mr Bob Gil
- Mrs Caryn Jack
- Mr Nigel Scott
- Mrs Fiona Campbell

Apologies:

- Ms Beth Hamilton
- Mr Andrew Carver
- Mr Liam McCabe
- Mr Robert Addie

In Attendance:

- Mr David Allison, Director of Information Services
- Mr Tom Gorman, Director of Estates Developments
- Mr Andrew Lawson, Associate Principal – HR and Student Services
- Mrs Alison Stewart, Director of Finance and Corporate Service
- Mrs Fiona Brown, Head of Curriculum, Quality and Learning Services
- Mr Stephen Jarvie, Corporate Governance & Planning Officer (Minute)

B/13/013 **Declarations of Interest**

None

B/13/014 Appointment of Board Members

The Chair of the HR (Inc. Nomination) Committee presented a paper outlining the recruitment activity undertaken to seek new members of the Board of Management. He outlined the interview process and sought Board of Management approval to appoint the following individuals for an initial term of four years –

- Fiona Campbell
- Caryn Jack
- Liam McCabe
- Nigel Scott

- a) Members approved the appointment of the four new members
- b) Updated photographs and biographies for the Board and SMT will be created and added to the College website

B/13/015 Committee Membership

The Chair presented a paper outlining the proposed new membership of Board Committees.

It was noted that Bill Blair should be added to the membership of the Strategic Development Committee and that Anne Mearns would not be involved in the HR Committee.

- a) Members approved the revised committee membership, subject to the amendments above

B/13/016 Minute of Board of Management of 19 September 2013

The minutes of the meeting held on 19 September 2013 were approved.

B/13/017 Minutes and draft minutes of other Committees:

- a) HR (Inc. Nomination) Committee – 17 October 2013

The Committee Chair noted that this was covered under B/13/014.

- b) HR (Inc. Nomination) Committee – 19 November 2013

The Committee Chair noted the Committee had sought assurance from the College that no employees were employed via “zero hours” contracts.

The Chair also noted that any potential industrial relations issue had been resolved through the acceptance by the recognised trade unions of the pay offer from the College.

- c) Strategic Development Committee – 21 November 2013

The Chair reported positively on a demonstration provided to members on the new, on-line student funding application system.

d) Audit Committee – 26 November 2013

The Chair noted that the items for Board consideration had been added to this meeting as agenda items.

e) Finance Committee – 27 November 2013

The Chair noted that there were some issues relating to the reclassification of the College and that this was covered later in the agenda.

B/13/018 Strategic Plan 2014-2018

The Principal presented the Strategic Plan for 2014-18. He reported that the plan had been developed with input from SMT and the Strategic Development Committee and represented a new, modern approach to support the new mission statement of "Making Learning Work". The Mission statement has been taken to a wide variety of College stakeholders who have positively responded to the new direction of the College.

He noted that, upon approval, the College would then begin to develop the operational plan for the College and the associated metrics which would be used to report back to the Board on progress against the plan.

- a) Members welcomed the new strategic vision for the College and approved the Strategic Plan 2014-18

B/13/019 Annual Report and Financial Statements 2012-13

The Director of Finance and Corporate Services presented the annual report and financial statements 2012-13.

She noted that this had been taken to the Audit and Finance Committees and had been approved subject to the resolution of a couple of prior year adjustments. The College is still in discussion with the external auditors to gain approval for these adjustments and the Director of Finance and Corporate Services outlined these and their implication for the members.

The Chair of the Finance Committee noted that, taking aside the adjustments, the financial statements were robust and the College had had a good financial year.

The Chair outlined to members that the financial statements were being presented as read at this time for approval and, if the adjustments are required by the External Auditors, arrangements would be made to have final approval for the revised financial statements.

Members highlighted an error in the text on the activities of the Board Committees. It was agreed to revise the relevant text.

- a) Members approved, subject to the possible amendments outlined above and the identified text revision, the Annual Report and Financial Statements for 2012-13

Draft

B/13/020 Report to the Board of Management and the Auditor General for Scotland

The Director of Finance and Corporate Services presented the annual report from the College's external auditors.

She noted that the report was draft owing to the work on-going regarding the prior year adjustments discussed under the previous agenda item. She also noted that, as the report stands at this time, the College would receive an unqualified opinion.

Members noted the significant work undertaken by the Finance team, Senior Management and the Finance and Audit Committees to reach this positive position.

a) Members approved the report

B/13/021 Annual Report to the Scottish Funding Council on Institutional Led Review of Quality

The Head of Curriculum, Quality and Learning Services presented members with the report which is an annual requirement from the Scottish Funding Council. She noted that the timescales associated with this report had changed from previous years and that the College had submitted the report provisionally subject to approval from the Board.

She noted the main points contained within the report and noted that Full Time FE retention had increased by 4% which was a very positive position for the College.

Members queried how this report ties into the College's Regional Outcome Agreement. The Head of Curriculum, Quality and Learning Services noted that there was no direct correlation at this time but that SFC were looking into this matter.

Members noted that the College is subject to providing a significant number of monitoring reports and recommended that the College and Chair try to influence this issue to reduce the amount of reporting required.

a) Members approved the annual report.

B/13/022 Audit Committee Chairs Annual Report to the Board of Management

Robert Gil, Chair of the Audit Committee, presented the report outlining the activity of the Audit Committee over the last year.

He noted that although there had been delays with internal audit activity during the year owing to the implementation on new systems, this activity was now up to date.

The Chair noted the recommendations relating to the College Business Continuity Plan. Members queried how the College planned to address these.

The Director of Finance and Corporate Services noted that the College does have a plan but felt this was weak and had arranged for the Internal Audit to gain an overview of actions needed. Given the specialist nature of this activity, the College is currently looking into appointing consultants to support the development of a new Business Continuity plan.

- a) Members approved the report

B/13/023 Procurement Policy 2013

The Director of Finance and Corporate Services presented the revised Procurement Policy 2013. She noted that this policy had been considered and approved by the Finance Committee.

Members queried how exceptions to the Policy would be identified and addressed. The Director of Finance and Corporate Services noted that non-compliance would be identified by the Procurement Manager and instances would be reported to the Finance Committee.

Members also noted that the policy intends to use framework agreements to contract for services and recommended that the College offer training sessions to suppliers to ensure that they can provide the necessary information.

- a) Members approved the Procurement Policy 2013

B/13/024 Procurement Strategy 2013

The Director of Finance and Corporate Services presented the revised Procurement Strategy 2013 and noted that the independent, external scoring of the College had shown improvements in our performance.

Members welcomed the external assessment and assurance on the performance of the College's procurement processes.

- a) Members approved the Procurement Strategy 2013

B/13/025 Student Union Constitution

The Student Union President presented the revised Student Union Constitution. He noted that this document had been revised to reflect changes in the composition of the Student Union Executive Team and to address the implications of the Post-16 Education (Scotland) Act 2013.

He also noted that external advice had been sought from groups such as NUS and that the document had been taken to, and approved by, the recent Student Council meetings and the Strategic Development Committee.

- a) Members approved the Student Union Constitution

B/13/026 ONS Reclassification of Colleges

The Director of Finance and Corporate Services provided an overview of the implications of the ONS reclassification to members.

She noted that the independent Foundation had been set up and was currently being considered for charitable status by OSCR.

The Director of Finance and Corporate Services also highlighted that the change in College classification had implications for the insurances held by the College as public bodies are required to self-insure. It was agreed that this issue would be examined further and a report brought to the March meeting of the Board of Management.

a) Members noted the content of the report

B/13/027 New Falkirk Campus – The Concept

The Director of Estates Developments presented the concept plan for a new Falkirk Campus. He noted that this document would be key to engaging with stakeholders, particularly the Scottish Funding Council who the College would be approaching for support to proceed to Outline and then Full Business case.

Members queried if SFC was the only source of funding open to the College.

The Director of Estates Developments noted that, due to the sums involved, SFC are the main funding body involved however a funding strategy would be developed to complement the concept plan. Members requested that this be brought to the next meeting of the Board.

Members queried the involvement of a new Falkirk campus in other local initiatives such as the Falkirk TIFF funding.

The Principal noted that the College had positively engaged with Falkirk Council at a senior level and that they are very supportive of this plan.

Members recommended that the plan should showcase the high level of investment the College has made in key areas such as Oil and Gas and how this links to local and national skills demands.

a) Members noted the content of the report.

B/13/028 Cultural Survey Outcomes

The Associate Principal, HR and Student Services presented members with the results of the recent Cultural Survey in the College. He highlighted that 61% of staff had responded to the survey and that, upon finalisation of the report, the information would be made available to all College staff.

He also noted that an implementation plan would be developed to address key objectives identified within the report.

Members recommended that the objectives within the plan be reviewed to ensure that they are SMART.

Members also noted that the comments highlighted within the report did not always match the accompanying survey data and recommended that this is reviewed before final publication.

Members also recommended that the presentation of data be revised to avoid confusion.

- a) Members welcomed the College had conducted this survey and noted the content of the report.

B/13/029 Student Union Report

The Student Union President provided members with an update on Student Union activities. He noted that 320 class representatives had been recruited for this academic year and that 225 of these individuals had now received their full training.

He noted that the Student Union were currently in consultation with First Bus with a view to securing the best possible rates for students. Members suggested that the Student Union should liaise with Stirling University to see if they could offer any advice or support.

- a) Members noted the content of the report.

B/13/030 Review of Risk

No new risks identified.

B/13/031 AOCB

The Principal reported that the College has been shortlisted for the TES UK Awards for FE Provider of the Year and that two members of staff have been short listed in the Innovative Lecturer of the year category.

Audit Committee

Meeting:	Audit Committee
Location	S0.112 Stirling Campus
Date:	6 February 2014 (commencing at 5.00pm)

Present: Mr Bob Gil (Chair)
Mrs Beth Hamilton
Mr Nigel Scott
Mrs Shona Struthers

Apologies: Mr Colin Alexander

In Attendance: Mr Stephen Jarvie, Corporate Governance and Planning Officer
Mrs Alison Stewart, Director of Finance and Corporate Services
Mrs Claire Monaghan, Baker Tilly (except for item A/13/028)

A/13/024 Declarations of Interest

Claire Monaghan declared an interest in relation to A/13/028.

A/13/025 Minutes of meeting held on 26 November 2013

The Minutes of meeting of 26 November 2013 were approved as a correct record.

A/13/026 Matters Arising

a) A/13/014 Revised Internal Audit Annual Report

This was covered under item A/13/029.

b) A/13/020 Internal Audit: Presentation of Reports

Claire Monaghan reported that the suggested changes had been made and passed back to the College.

c) A/13/020 Internal Audit: Presentation of Reports

This was covered under item A/13/029.

A/13/027 Committee Meetings and Programme of Business

The Director of Finance and Corporate Services presented a report to members outlining the changes to the financial reporting requirements from 1 April 2014 and highlighted the need to change the Committee's calendar to ensure these new timescales can be met.

Members highlighted that one of the revised dates coincided with an HR Committee meeting. Following discussion, it was agreed that the Finance & Audit Committee meeting should be rescheduled.

- a) Members approved the revised calendar of meetings

A/13/028 Extension of Internal Audit Appointment to 31 March 2015

The Director of Finance and Corporate Services presented a report noting that the appointment cycle for internal audit services and the financial year would be out of line from 1 April 2014.

She noted that, rather than bring in a new firm mid-year, it would be preferable to extend the existing contract end date for Baker Tilly from September 2014 to March 2015.

- a) Members approved the paper and recommended this item to the Board of Management for final approval.

A/13/029 Progress Report on Audit Recommendations

The Corporate Governance and Planning Officer presented an update on the current status of audit recommendations, noting that all live recommendations are within date.

Members queried progress with the Business Continuity recommendations and the Corporate Governance and Planning Officer reported on activity to date.

Members noted that the attachment was quite hard to read and it was agreed to review the presentation of this information.

- a) Members noted the content of the update.

A/13/030 Internal Audit: Presentation of Reports

Claire Monaghan, Baker Tilly, presented members with two Internal Audit reports on Community Planning Partnerships and Student Finance.

She noted that the Community Planning processes in place were good but would benefit from some formalisation.

For Student Finance, she noted that this was a very positive report, with significant improvements over the previous system.

Members queried how students were engaged with this system and suggested that further consideration be given to using alternative notification methods such as text messages as well as reviewing the design of the information provided to ensure it was clear and engaging.

a) Members noted the content of the reports.

A/13/031 Risk Management

The Director of Finance and Corporate Services presented the College Strategic Risk Register.

She outlined the changes since the last report and noted that one of the risks, auto enrolment, was now fully mitigated and that it was intended to remove this from the register.

Members agreed to the removal of the auto enrolment risk.

a) Members noted the content of the report.

A/13/032 Review of Risk

Risk were identified in each covering paper.

A/13/033 Any Other Competent Business

None.



Strategic Development Committee

Location:	S1.39, Stirling Campus
Date:	13 March 2014 (commencing at 4.30 pm)

Present: Mrs Anne Mearns (Chair)
 Dr Bill Blair
 Mrs Fiona Campbell
 Mr Andrew Carver
 Mr David Gentles, Student Union President
 Mrs Caryn Jack

Apologies: Mr Robert Addie
 Mr Colin Alexander
 Mr Ken Richardson

In Attendance: Mr David Allison, Director of Information Services
 Mrs Fiona Brown, Head of Curriculum, Quality and Learning Services
 Mrs Jean Duff, Student Services Manager (For item S/13/028 Only)
 Mrs Emma Glacken, VLE Support Officer (For item S/13/026 Only)
 Mr Stephen Jarvie, Corporate Governance and Planning Officer
 Mr Rob McDermott, Lecturer (For item S/13/026 Only)
 Mrs Alison Stewart, Director of Finance and Corporate Services
 Mrs Irene Thomson, Lecturer (For item S/13/026 Only)
 Dr Ken Thomson, Principal (exited after item S/13/031)

S/13/023 Declarations of Interest

None

S/13/024 Minutes of meeting held on 21 November 2013

The Minute of the meeting of 21 November 2013 was accepted as an accurate record.

Matters arising

The Chair requested an update on progress with the appointment of the second Student Union Board member. Mr David Gentles confirmed that possible candidates had been identified and that this matter was progressing.

The Chair asked whether the suggested change to the online Student Finance Funding System covered under item S/13/015 had been implemented. The Director of Information Services confirmed that this would be included with other improvements which would be rolled out with phase 2 of the system.

The Chair sought clarity on whether the figures on HEI levels had been incorporated into the Student Activity paper as requested under S/13/016. The Director of Information Services noted that this activity was included in the paper but that these courses had not been identified separately, and that this would be addressed for future reports.

S/13/025 2014/17 Outcome Agreement

The Director of Information Services presented members with the latest draft of the 2014/17 Outcome Agreement for the College. He noted that this draft incorporated suggestions from the Committee, the overall Board as well as input arising from discussions with the Scottish Funding Council (SFC); and that he was seeking approval to take the Outcome Agreement to the Board for final approval.

Members highlighted some areas where the text could be confusing for the reader and asked that these be clarified. They also noted that some form of executive summary or high level overview of the positive work of the College would enhance the document.

Members enquired whether the College had had sight of any other College's Outcome Agreement. The Director of Information services confirmed that, while the College had not seen other Outcome Agreements for 2014/17, SFC had fed back positively on the content and that all Colleges were using the same document template. Comparisons have been made against previous Outcome Agreements from other regions.

The Principal noted that the intention was to bring tracking information on progress against the Outcome Agreement to the Committee twice per year to allow members to have an overview of progress against targets.

a) Members approved the Outcome Agreement, once the amendments had been made, for submission to the Board of Management for final approval

S/13/026 Learning and Teaching Innovations for Good Practice

The Head of Curriculum, Quality and Learning Services presented this item to members. She noted that an opportunity to share good practice across the organisation had been identified via the Learning and Teaching Committee and a good practice portal had been developed where staff and, eventually, students can access, create and upload content.

She introduced two lecturers, Rob McDermott and Irene Thomson, as well as Emma Glacken, VLE Support Officer who provided an overview of the new portal and demonstrated how this can be used to support staff and students.

Members asked whether other Colleges had a similar system. The Head of Curriculum, Quality and Learning Services note that she was not aware of other College using a similar system.

Members asked whether use of this system could be tracked and noted that this information would be of interest to a future meeting.

The Principal noted that the intention was to continue development and launch the system across the College in August.

a) Members noted the content of the presentation

S/13/027 Learner Success Performance Indicators 2012-2013

The Head of Curriculum, Quality and Learning Services presented a paper outlining the latest national performance indicators published by SFC and noted how the College compared favourably against a number of national averages.

Members discussed a number of subject specific performance indicators and queried how withdrawals within the College are processed.

The Director of Information Services outlined the current withdrawal system. Members noted the overview and asked that this be reviewed to see if there is anyway to improve on withdrawal information capture.

a) Members noted the content of the report

S/13/028 Protection of Children, Young People and Adults at Risk of Harm – Annual Update

The Student Services Manager presented members with a report outlining referrals to the College system since last year. She noted that the Scottish Government are currently looking at increasing the age of those classed as vulnerable adults and that the College would continue to monitor this and implement any changes that become necessary.

The Student Services Manager demonstrated a new online training programme for this area which would be used both for new staff as part of their induction process as well as supporting College staff who are required to refresh their knowledge every two years.

Members requested further information on how this process captured individuals who work at the College but who are not College employees (contract workers etc).

The Student Services Manager confirmed that individuals working for partner/contract organisations were not included and that she would look further into how best to manage this.

Members also noted that compliance related documents prepared by the College should have appropriate security and document tracking mechanisms in place. The Student Services Manager confirmed she would make any necessary changes.

a) Members noted the content of the report and welcomed the work done to enhance staff training in this area

S/13/029 Forth Valley College Foundation

The Director of Finance and Corporate Services presented a report outlining progress to date with the Foundation and went on to outline a proposed methodology to ensure transfers to and from the Foundation have the necessary level of Board/Committee scrutiny and approval. She noted that it was intended for the Strategic Development Committee to be the authorising Committee for requests submitted to the Foundation.

Members recommended that, given the potential change to the remit of the Committee, it would be useful if there were always at least one member of the Finance Committee present to provide advice.

- a) Members agreed that the Committee would act as the approving Committee subject to Board approval of the overall approach

S/13/030 Student Union Update

The Student Union President provided an update on the activities of the Union since the last meeting of the Committee. He noted that the latest round of Student Council meetings had been very successful and that students had enjoyed the input from Senior Management at these meetings.

He also noted that the College had successfully received the LGBT Trademark in conjunction with the College Equalities Team.

He reported that the Student Union had received a £4000 donation from Barclays to provide money advice to students following a successful Barclay's Money Skills week in February.

- a) Members noted the content of the update

S/13/031 College Operational Plan

The Principal presented members with the draft College Operational Plan for comment prior to its submission to the Board for approval.

He noted that this plan would be used to drive Departmental and personal plans and that the intention was to bring back monitoring information on progress to the Board and Committees.

Members welcomed the Plan document and highlighted some areas where they felt the content could be clarified. They also requested that the cross referencing in the document be improved.

- a) Members noted the content of the report

S/13/032 Student Activity

The Director of Information Services presented a report on the current levels of student activity within the College. He noted that overall the College was on target at this time. Those areas tracking below target had been identified and would continue to be monitored.

Members questioned whether there were any room capacity issues arising from healthy recruitment. The Director of Information Services noted that work had been undertaken on capacity and a number of moves were underway to ensure the most effective use of available resources.

- a) Members noted the content of the report

S/13/033 Review of Risk

No new risks identified

S/13/034 Any Other Competent Business

None

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HR (Inc. Nomination) Committee

Location:	A204, Alloa Campus
Date:	18 March 2014 (commencing at 4.30pm)

Present: Dr Bill Blair (Chair)
Mrs Fiona Campbell
Ms Beth Hamilton
Ms Elaine McGeorge
Mr Nigel Scott

Apologies: Mr Steven Still

In Attendance: Mr Andrew Lawson, Associate Principal HR and Student Services
Mrs Claire Shiels, Head of FM and Health and Safety (for item H/13/017 only)
Mr Stephen Jarvie, Corporate Governance and Planning Officer

The Chair welcomed Fiona Campbell and Nigel Scott to their first meeting as members of the Committee.

H/13/014 Declarations of Interest

No declarations were made.

H/13/015 Minutes of Meeting of 19 November 2013

The minutes of the meeting of 19 November 2013 were approved as an accurate record.

H/13/016 Matters Arising

a) H/13/002 Minutes of Meeting of 25 April 2013

The Chair noted that, at a previous meeting, a report on the value of wSUMs had been requested. This paper was attached to the meeting papers as a 'for information' item and provided a good overview of this area.

b) H/13/004 Staff Development

The Chair noted that a paper on this area had been requested but that the Associate Principal HR and Student Services would cover this matter verbally at this time.

The Associate Principal HR and Student Services reported that staff development activity was currently undergoing revision to recognise the different needs of teaching and support staff, as well as the timing of such activity. Two internal working groups are currently progressing this matter and a full report on their outputs will be brought to the Committee when it is complete.

Members queried the training used to support succession planning. The Associate Principal HR and Student Services noted that activity had occurred for Heads of Department/Service in recognition of their more strategic role and Curriculum Managers to support their new line management responsibilities. An evaluation of this activity will occur and can be brought to the Committee for information.

c) H/13/010 Pay Negotiations

The Associate Principal HR and Student Services reported on the successful conclusion of the last round of pay negotiations. He noted that, owing to the changes in financial year, the next round had already commenced and that the Unions were currently preparing their proposals for consideration by Management.

He noted that negotiations were still discussed at a local level as the National Bargaining position was not in place. He highlighted continued concerns that, when the move to a national bargaining is implemented, negotiations out with the control of the College could potentially impact industrial relations.

The Chair requested that an update on this activity be brought to the next meeting of the Committee.

d) H/13/011 Update on Board Recruitment

The Chair noted that the recommendations proposed by the Committee on new members had been approved at the meeting of the Board of Management in December 2013.

e) H/13/008 Cultural Survey Response

The Associate Principal HR and Student Services noted that, when reporting on this matter at the previous meeting, the intention at that time had been to produce a formal response document. He reported that, following internal discussion, it was decided to provide an update on progress to staff at the end of each academic session.

H/13/017

Health, Safety and Sustainability Update

The Head of FM and Health and Safety presented an update on progress and KPI's within this area. She noted that the report now included information on the College's sustainability activity as this was one of her key areas of responsibility.

She reported that waste management was ahead of projected targets and that staff absence figures at this time continued to be below the sector averages.

She noted that the College had introduced a Safe Systems at Work process to improve preventative measures to reduce the number of accidents within the College.

Members highlighted some inconsistencies in the notes of the Health and Safety Operational Plan. The Head of FM and Health and Safety will amend this document.

a) Members noted the content of the report and commended the Head of FM and Health and Safety and her team on the work done to reach this satisfactory position.

H/13/018 Board of Management Transitional Arrangements

The Associate Principal HR and Student Services provided members with an overview of the information on transitional arrangement for the Board released by the Scottish Government. He noted that the College was working through the implications of these changes and that the Committee would be heavily involved in revised processes.

He also highlighted a Scottish Government consultation document on the Board Appointment process and sought volunteers from amongst the members to support the Senior Management Team to develop a response to this consultation which is due by May 30.

Members requested further clarity on the terminology used in the paper relating to the status of the College and the type of Board to be put in place. It was agreed that the Corporate Governance and Planning Officer would create and circulate some guidance on this matter.

- a) Members noted the content of the report
- b) Dr Bill Blair and Ms Beth Hamilton volunteered to participate in the consultation response process

H/13/019 Staffing Establishment Update

The Associate Principal HR and Student Services provided members with an update on the current staffing establishment within the College. He outlined the process for recruiting new staff members, whether contract, full time or part time, based upon clearly identified organisational need.

He also highlighted that, as part of overall succession planning activity, internal staff were offered secondment opportunities to undertake more senior roles which are vacant due to maternity leave etc.

Members queried whether the secondment activity placed additional pressure on the staff taking these opportunities. The Associate Principal HR and Student Services clarified that these secondments were developed with the relevant member of staff prior to their commencement so the staff member involved is fully informed. He also noted that, for areas where specialist knowledge is required such as equalities, further support measures are put in place.

In answer to a question about how easy it was to recruit new staff, The Associate Principal HR and Student Services said that for Academic staff, with the exception of Engineering where the market place was competitive, this had been straightforward, while for Support staff there were almost always many applicants

a) Members noted the content of the report

H/13/020 Update on National Bargaining (Verbal)

The Associate Principal HR and Student Services reported that there had not been any significant progress with this item since the last meeting of the Committee

a) Members noted the content of the update

H/13/021 Review of Risk

Members noted that pay negotiations and the Board Transitional arrangements continued to be a risk to the College.

H/13/022 Any Other Competent Business

The Corporate Governance and Planning Officer notified members that, owing to changes to the meeting dates of other Board Committees, the timing and location of the 17 June 2014 meeting may need to change. He confirmed that information would be circulated to members regarding this once the arrangements were finalised.

Members noted this potential change.

Finance Committee

Meeting:	Finance Committee
Location:	Room LS2, Colleges Scotland
Date:	18 March 2014 (commencing at 3.45 pm)

Present: Mrs Shona Struthers (Chair)
Mr Andrew Carver
Mr Liam McCabe

Apologies: Ms Caryn Jack
Mr Ken Richardson

In Attendance: Mrs Alison Stewart, Director of Finance and Corporate Services
Mr Bob Gil, Chair, Audit Committee
Mr David Allison, Director of Information Services
Dr Ken Thomson, Principal
Mr Tom Gorman, Director of Estates Development
Ms Elaine Bell, Executive Office Assistant, (Minute)

F/14/018 Declarations of Interest

None.

F/14/019 Minutes of Meeting held on 27 November 2013.

The minutes of the meeting held on 27 November 2013 were approved.

F/14/020 Tuition Fees and Fee Waiver Policy 2014/15

The Director of Information Services presented the annual update of the Tuition and Fee Waiver Policy for approval by the Committee.

He noted 85% of all tuition fees come from full-time learners with the net impact of these changes not providing a huge increase in income. It was noted any changes made to the National Policy for Session 2014/15 would be made to the Fee Waiver Policy.

It was noted no significant change to the local Fee Waiver Policy. The Chair asked if College mergers would have an impact on fees and the Director of Information Services replied that College fees were based purely on transactions with SQA.

- a) Members approved the Tuition and Fee Waiver Policy for presentation to the Board of Management

F/14/021 Treasury Management Strategy 2014/15

The Director of Finance and Corporate Services presented the Treasury Management Strategy for 2014/15 for approval by the Committee.

She highlighted implications to the College on the reclassification as an 'Arms Length Public Body' and the level of cash the College can retain. Members commented on the favourable interest rate obtained by the College in relation to the Loan with Barclay's Bank.

- a) Members approved the strategy for presentation to the Board of Management

F/14/022 Budget 2014/15

The Director of Finance and Corporate Services presented the draft budget for 2014/15 for approval and recommendation to the Board of Management.

She explained due to the reclassification of Colleges this may impact on the change of the year-end date and indicated budgets may in future be prepared on a financial instead of an academic year. This was still to be clarified. She highlighted the significant contribution for the second year of the HEI Articulation programmes.

Members noted implications for insurance costs and self insurance and the Chair commented on the preparation of a case by Colleges Scotland to the Scottish Government for Colleges to retain commercial insurance.

- a) Members approved the draft Budget for 2014/15 for presentation to the Board of Management. It was noted that no tolerance had been built in for transfer of surpluses to the Foundation.

F/14/023 Capital Budget 2014/15

The Director of Finance and Corporate Services presented the Capital Budget for 2014/15 for approval by the Committee.

The Chair asked if the Scottish Funding Council (SFC) had approved funding for the demolition of the Middlefield Building. The Principal replied he had written to SFC and had included a copy of the College Concept Plan and asked approval to progress with the Outline Business Case and for support on the demolition of the Middlefield building. It was indicated that this may be presented to SFC's Strategic Committee to be held in May.

- a) Members approved the Capital Budget for 2014/15
- b) Noted potential risk of not being able to transfer revenue grant to the Foundation.

F/14/024 Forth Valley College Foundation

The Director of Finance and Corporate Services provided an update on progress of the setting up of an 'Arms Length Foundation' and asked for approval to donate the projected 2014/15 operational surplus to the foundation.

She advised on the arrangements for the setting-up of the Foundation and explained the process for annual donations by the College dependent on operating surpluses. She advised if the transfer was not carried out by 31 March there could be potential to take the transfer to the Board of Management meeting in June for approval.

She commented that she would continue to work with the Auditors to raise issues and for them to provide clarity on the timing and accounting treatment of the transfer.

Members asked that discussions with the auditors continue on the accounting treatment to avoid a technical breach of banking covenants if possible.

- a) Members agreed the approval of:-
 - the processes for making donations to the Foundation
 - the processes for making grant applications to the Foundation
 - a revised paper to be presented to the Board of Management on 27 March.
- b) The donation of the 2014/15 projected operational surplus to the Forth Valley College Foundation was not approved as this will be covered by the revised paper being presented to the Board of Management on 27 March.
- c) Noted risk high in terms of uncertainty.

F/14/025 Calendar of meetings

The Director of Finance and Corporate Services presented an indicative change to the Schedule of Finance Committee Meetings. This had arisen due to the possible revised date for the year-end and further clarity on this was awaited. The 3 June Committee meeting would be rescheduled to the 17 June to be held in parallel with the HR Committee meeting and then at the conclusion of these meetings the Audit Committee would take place.

- a) Members approved the revision to the schedule of Committee Meetings.

F/14/026 Capital Programme Monitoring Report (2013/14 – Q2)

The Director of Estates Development presented a report reviewing the Capital Monitoring Programme for 2013/14. Members noted the capital spend against projects and the reduction in budget.

The Director of Finance and Corporate Services advised on the decision to write-off some of the expenditure sitting in the balance sheet and explained that this could be carried forward for maintenance but not for capital. She advised there was no risk to the College as this would sit in deferred income and could be used for revenue purpose but not for capital. She indicated she would contact the SFC on this option and would report to the next Board of Management meeting.

- a) Members noted the content of the report.

The Principal acknowledged the extremely difficult environment in working through College finances in such short time scales. The move of the College estates build for the Mezzanine and Weir Block conversion to be fast tracked by the end of March had been remarkable and he expressed his thanks to the Director of Finance and Corporate Services and the Director of Estates Development and their respective teams for their contribution in achieving this excellent result.

F/14/027 2013/14 Forecast Outturn

The Director of Finance and Corporate Services presented for discussion the forecast outturn for 2014/15.

She explained the reasons for the movement from a budgeted deficit to the projected surplus.

- a) The Chair asked the Director of Finance and Corporate Services to update the forecast prior to the next Board of Management meeting as this will form the basis of the transfer to the Foundation.

F/14/028 Review of Risk

Risks were identified on the relevant papers.

F/14/029 Any other competent business

Andrew Carver noted the complexity and the amount of work the Director of Finance and Corporate Services was having to undertake as a result of the ONS reclassification and thanked her for her contribution in managing this process.

F/14/030 Treasury Management Activity

Noted.

F/14/031 Strategic Risk Register

- Members asked for the Governance risk identified for the bank and renegotiation about capital funding.
- Insurance implications to be noted.

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Subject: College Operational Plan	Agenda Item: 9
Date: 27 March 2014	FOR APPROVAL

1. Purpose of Report

To present members with the draft College Operational Plan for approval.

2. Recommendation

Members agree changes to the plan as appropriate and the intended implementation as outlined below.

3. Background

Following the approval of the College's 2014-18 Strategic Plan by the Board of Management on 12 December 2013, College Management have been working to link the College's strategic outcomes to a number of key operational objectives through the College's Operational Plan April 2014 - 2015.

The College Operational Plan is a vital link in the overall planning processes of the organisation and enables us to –

- Identify and report on KPI's and other key milestones to the Board of Management and relevant Committees
- Provide a clear link to Strategic, Departmental and Individual plans; and
- Contribute towards the achievement of the College's Regional Outcome Agreement and Local Authority Single Outcome Agreements.

A Leadership Group event, attended by over 40 managers with a key note address from Mr Bob Jack, CEO for Stirling Council, was held on 6 February 2014, to allow each manager to discuss and contribute to the proposed College Operational Plan and how best to deliver against each objective. Underpinning the discussion was the College's Business Model and the six strategic themes.

SMT members have utilised this input and discussed amongst the team in order to develop the first draft for the Operational Plan. The draft was presented to strategic development Committee and changes, particularly in presentation and clarity have been incorporated into the document appended for information.

4. Key Considerations

SMT utilised the input from managers, team meetings and Board Strategic Development Committee to create the draft College Operational Plan (Appendix 1)

The plan combines a mix of hard targets (%'s etc.) with measures which are more qualitative than quantitative. In these areas, milestones will be identified to ensure progress is being tracked and reported on.

It is recommended that tracking of the Operational Plan be reported quarterly to the Strategic Development Committee with the key strategic College KPI's to the Board of Management through an agreed dashboard which will be reported to the Board in June 2014.

The approved Operational Plan will be a key document, alongside the six strategic themes, for Departmental Operational Plans and then for the individual PTS&R (Personal Target Setting and Review) process. Our timelines are on track for PTS&R's to have been completed by July 2014 in advance of the new academic year.

5. Risk

Low

The College has a strong Strategic Plan in place as endorsed by the Board and is proceeding with the development of an equally strong Operational Plan based upon the considerable expertise available within the College staffing establishment.

Author: Ken Thomson	SMT: Ken Thomson
Date: 19 March 2014	Date: 19 March 2014

Board of Management

Subject: College Process for Working with Foundation	Agenda Item: 10
Date: 27 March 2014	FOR APPROVAL

1. Purpose of Report

To update the Board of Management on the progress of the setting up of an arm's length charitable foundation and to seek approval to donate the projected 2013/14 operational surplus to the foundation.

2. Recommendation

The Board of Management note the progress in terms of setting up the Foundation and approves

- the processes for making donations to the Foundation
- the draft agreement for making donations
- the processes for making grant applications to the Foundation
- the donation of the 2013/14 projected operational surplus to the Forth Valley College Foundation.

3. Forth Valley College Foundation

James Callander, Chair of Forth Valley College Foundation will provide an update on the Foundation and how it will interact with Forth Valley College.

4. Donations from Forth Valley College to the Foundation

Forth Valley College will make an annual donation to the Foundation. The amount of the donation will be dependent on the level of operating surpluses achieved in each financial year. It is unlikely that it will be possible to make a donation which results in an operational deficit.

It is therefore critical that the amount of the donation is calculated as accurately as possible. This becomes a complex process as normally operational surpluses/deficits are not finalised until well after the year end due to some information not being available prior to the year e.g.

- FRS 17 Pension valuations
- property revaluations
- capitalisation of assets
- accruals/prepayments

All donations will be approved by SMT, the Finance Committee and Board of Management prior to the payment being made. A draft agreement for making donations is attached for approval by the Board of Management.

5. Annual Project Plan / Grant Applications

Prior to the start of each Academic Year, Forth Valley College will prepare an Annual Project Plan which will outline potential projects the College wishes the Foundation to support. This will be approved by SMT, the Strategic Development Committee and the Board of Management. Any in year changes to this plan will go through the same approval process as the original plan.

Individual grant applications will be made for each project and will be approved by SMT and the Strategic Development Committee prior to submission to the Foundation.

Applications will be submitted in line with the scheduled meetings of the Foundation; however should an unexpected application be required it will be possible to ask the Foundation to convene an additional meeting to consider the application.

6. Forth Valley College Donation – March 2014

At this point is not possible to confirm the actual amount of the donation but it is likely to be in excess of £3m. Discussion are on-going with the external auditors, Audit Scotland and SFC to establish whether or not the transfer has to take place prior to 31 March or whether it is possible to create a legal obligation at 31 March and make the actual payment once the final operating surplus has been established.

Following the approval of the 31 July 2013 Accounts, Forth Valley College wrote to the Scottish Funding Council (SFC) to ask for the removal of a specific grant condition which stated that FVC must repay the sale proceeds of the land at Branshill, Alloa up to a maximum of £3m. SFC have now confirmed in writing that this specific condition of grant has been rescinded which allows FVC to release the £3m provision currently within the Forth valley College's accounts. The release of this provision together with any operating surplus for the 8 months to 31 March will form the basis on which the donation is calculated.

However, as the 2013/14 financial year is an 8 month period there are still on-going discussions with the external auditors as to how major items of income and expenditure which are calculated on an academic year are split over 2 financial years. There was a meeting scheduled with Audit Scotland and the sector's external auditors on Thursday 6 March 2014 where guidance on the treatment of such items was expected. The key items under discussion are

- GIA funding
- Tuition fee income
- SQA fees and charges

Unfortunately, this meeting did not result in clear guidance being issued and in fact as led to further queries being raised, in particular whether the transfer of funds actually needs to take place prior to 31 March and how the donations are disclosed within Colleges' accounts.

Another key factor in calculating an operating surplus prior to the year end is the impact of the FRS 17 Pension valuation. To mitigate against this a valuation of the projected position at 31 March 2014 has been requested and received from Hymans Robertson. The external auditors have confirmed they will require this to be updated again at 31 March 2014.

A final consideration in calculating the level of the donation is the level of working capital (cash) the College will need to hold to fund payments in April prior to funding being received by SFC mid-April. While the College may have a surplus which can be donated to the Foundation the final payment will be determined by the amount of cash physically available to fund the donation.

It is unclear what the consequences would be if the College makes a donation to the Foundation prior to 31 March and this creates an operating deficit which is only established once the accounts are finalised and audited. The reverse of this risk is that in donating too little to the Foundation surplus cash effectively gets “locked” in the College’s bank account and cannot be spent without additional resource cover from Scottish Government which is unlikely to happen in the short term.

7. Risk Analysis – High

At the point of writing this paper a number of issues remain unresolved which could impact on both the amount and the timing of the transfer to the Foundation.

If Forth Valley College transfers a lower level of funds to the Foundation it will have cash effectively locked in the bank account which cannot be spent. If Forth Valley College transfers a greater level of funds than the in-year operational surplus it is unclear what the consequences of this would be from an audit /SFC perspective.

Depending on the disclosure of the donation, the transfer to the Foundation may breach the banking covenants as the majority of the in-year surplus will result from the reversal of a non-cash provision. The bank will only test the covenants on receipt of the audited accounts which will be approximately 8-9 months after the year end. If covenants are breached they will issue a “Reservation of Rights” letter. The risk here being that they could ask for the loan to be repaid or seek to renegotiate the terms of the loan.

Mitigating Actions

- The Director of Finance and Corporate Services is continuing to work with the external auditors to resolve the treatment of contentious issues which would impact on the operating surplus prior to the year end.
- An FRS 17 Valuation has been requested as at 28 February 2014 to inform the calculation of projected operating surplus.
- Work is continuing with the Auditors and SFC to clarify the issue of the timing of the transfer
- The reforecast completed at 31 December 2013 is being updated to identify further movements in the operating surplus and the projected working capital requirement for April
- Regular meetings with Barclays Bank have been and continue to take place regarding the position on covenants. Next meeting is scheduled for 4 April 2014.

Author: Alison Stewart	SMT: Alison Stewart
Date: 19 March 2014	Date: 19 March 2014

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GRANT AGREEMENT

between

(1) FORTH VALLEY COLLEGE

and

(2) FORTH VALLEY COLLEGE FOUNDATION

2014

TURCAN CONNELL
LEGAL • WEALTH MANAGEMENT • TAX

PRINCES EXCHANGE, 1 EARL GREY STREET, EDINBURGH, EH3 9EE
Telephone 0131 228 8111 Fax 0131 228 8118
DX 723300 Edinburgh 43 LP | Edinburgh 14
E-mail enquiries@turcanconnell.com www.turcanconnell.com

GRANT AGREEMENT

between:-

(1) FORTH VALLEY COLLEGE a charity registered in Scotland (Charity Number: SC021191) of Grangemouth Road, Falkirk FK2 9AD and body corporate established in accordance with section 11(2) of the Further and Higher Education (Scotland) Act 1992 (“**the College**”);

and

(2) FORTH VALLEY COLLEGE FOUNDATION (Scottish Charity Number: SC044597), registered company number SC465241 whose registered office is at Princes Exchange, 1 Earl Grey Street, Edinburgh EH3 9EE (“**the Foundation**”)

(each a “**party**” and together “**the parties**”)

WHEREAS:-

- (A) the Foundation has been established with the principal charitable object of the advancement of the charitable purposes of the College to include the advancement of education by making grants and providing financial support for projects and activities being carried out by the College.
- (B) the College has agreed to make over a grant to the Foundation subject to the terms and conditions set out in this Agreement.

NOW IT IS AGREED as follows:-

1. Grant

- 1.1 The College agrees to pay the Grant (as defined below) to the Foundation subject to the terms and conditions of this Agreement.
- 1.2 The amount of the grant will be the sum of £● million cash (“**the Grant**”) to be paid or transferred in one instalment.

2. Purpose

- 2.1 The Grant is to be applied exclusively for the Foundation's present charitable purposes ("the Grant Purposes"). Charitable purpose means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts.
- 2.2 The Grant is not to be used for any purpose other than the Grant Purposes but, for the avoidance of doubt, the College shall have no control over the timing or specific purposes to which the Grant is applied (provided it is a Grant Purpose) which shall be determined in the sole discretion of the Foundation.

3. Status Reports

- 3.1 The Foundation will provide to the College annual reports within 12 weeks of each annual period as to how the Grant has been applied towards the Grant Purposes and the Foundation shall keep appropriate books and records for that purpose.
- 3.2 The Foundation shall immediately notify the College of any key changes which may affect the Foundation or the Grant Purposes (including, but not limited to, any circumstances which arise which bring or might reasonably be expected to bring the Foundation into disrepute).

4. Termination/ Repayment

- 4.1 In the event of any of the following events occurring, the Grant may at the option of the College acting reasonably become repayable by the Foundation to the College in whole or in part as directed by the College:-
- (a) if the Foundation fails to hold or apply the Grant for or to the Grant Purposes;
 - (b) if the Foundation fails to comply with any of the terms and conditions set out in this Agreement and in the case of a breach capable of being remedied fails to remedy that breach within 30 days of receiving written notice from the College specifying the breach and requiring the same to be remedied;
 - (c) if there is a material change in the status of the Foundation that has a materially adverse effect on the Foundation's ability to comply with the terms of this Agreement and such change is not approved in writing by the College;

- (d) if the Foundation is unable to pay its debts as and when they fall due, a resolution is made or an order passed for the winding up of the Foundation (other than a voluntary liquidation for the purpose of reconstruction or amalgamation on terms approved by the College in advance in writing) or a receiver is to be appointed to the Foundation or the Foundation has an administration order made against it or an application for such an order is made or, in the case of the Foundation not being a corporation, if the Foundation shall become apparently insolvent or sign a deed for its creditors; or
- (e) if the Foundation has acted fraudulently or negligently in any material matter in connection with this Agreement.

- 4.2 The maximum amount of the Grant repayable in terms of clause 4.1 will be limited to the Grant received by the Foundation less any sums paid in grants or support to the College or third parties accordance with clause 2 and expenses properly incurred in the administration of the Foundation.
- 4.3 The Foundation shall notify the College in writing immediately upon the occurrence or intended occurrence of any of the events noted in clause 4.1 above.
- 4.4 On the occurrence of any of the events noted in clause 4.1, the College may terminate this Agreement by notice in writing to the Foundation save that the provisions of clause 4.5 (repayment of grant) will continue to apply until complied with in full and clause 6 (confidentiality) which will continue to apply indefinitely.
- 4.5 If any part of Grant falls to be repaid, the Foundation shall repay the College within 30 days of demand all or such part of the Grant as may be required by the College.
- 4.6 A certificate by the College as to the amount of the Grant due to be repaid shall, in the absence of manifest error, be conclusive evidence in any legal proceedings of the sum to be repaid by the Foundation to the College.

5. Notices

Any notice (which term, in this clause, shall include any communication) to be given by either party to this Agreement shall be in writing and shall be deemed to have been duly served if delivered by prepaid registered post to the addressee at the address shown at the head of this Agreement or at such other address as the party to be served may have notified in accordance with the provisions of this clause for the purposes of this

Agreement. A notice served in accordance with this clause 5 shall be deemed to be served one working day after posting.

6. Confidentiality

- 6.1 The Grant and the terms of this Agreement (“**the Confidential Information**”) are to remain confidential.
- 6.2 The parties agree not to disclose any Confidential Information to any third party without the prior written consent of such other party or parties (as applicable); and that this obligation will survive expiry or termination of this Agreement.
- 6.3 Each party agrees that it will not at any time disclose any Confidential Information or any part of it to any third party nor use the Confidential Information or any part of it for any purpose other than to perform its obligations under this Agreement.
- 6.4 Each party agrees that the provisions of this clause 6 will not apply to any Confidential Information or part of it which is or becomes generally available to the public other than directly or indirectly as a result of any breach of this clause 6 by any of such party.
- 6.5 Without prejudice to the generality of clauses 6.1 to 6.4, nothing in this clause 6 will prevent any party from disclosing the Confidential Information or any part of it to its professional advisors, auditors, trustees, senior employees or to any other regulatory or governmental body which has jurisdiction over the party or from disclosing such Confidential Information as it may be required by law to disclose PROVIDED THAT the party will procure (prior to any such disclosure being made) that any disclosure to any body not being of a regulatory or governmental nature will be subject to a confidentiality agreement with the other in relation to the Confidential Information so disclosed, on the terms (mutatis mutandis) of this clause 6.
- 6.6 The provisions of this clause 6 will continue following the termination of this Agreement for any reason whatsoever and without time limit.

7. Assignment

Neither the College nor the Foundation may, without the prior written consent of the other party (which it may in its absolute discretion withhold), assign, transfer, charge or grant any other security interest over or otherwise deal in any other manner with any of its rights or obligations under this Agreement or any of its rights under it, or purport to do any of the same, nor sub-contract any or all of its obligations under this Agreement.

8. Amendment and Waiver

8.1 Any amendment of this Agreement shall be in writing and signed by or on behalf of each of the College and the Foundation.

8.2 Any amendment of any right under this Agreement is effective only if it is in writing and it applies only to the circumstances for which it is given and will not prevent the party who has given the waiver from subsequently relying on the provision it has waived.

8.3 No failure to exercise or delay in exercising any right or remedy provided under this Agreement, or by law, constitutes a waiver of such right or remedy or will prevent any future exercise in whole or in part. No single or partial exercise of any right or remedy under this Agreement shall preclude or restrict the further exercise of any such right or remedy. Unless specifically provided otherwise, rights arising under this Agreement are cumulative and do not exclude rights provided by law.

9. Severability

9.1 If any of the provisions of this Agreement become or are declared to be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the other provisions of this Agreement shall not in any way be affected or impaired. Where, however, the provisions of such applicable laws may be waived they are hereby waived by the parties hereto to the full extent permitted by law to the effect that this Agreement shall be deemed to be a valid and binding agreement, enforceable in accordance with its terms.

9.2 In the event that, notwithstanding Clause 9.1, any provision of this Agreement becomes or is declared invalid, illegal or unenforceable the parties hereto agree to substitute for such invalid, illegal or unenforceable provision a new provision which serves the purpose of the invalid, illegal or unenforceable provision to the furthest extent possible.

10. Choice of Law and Jurisdiction

10.1 This Agreement and any disputes or claims arising out of or in connection with its subject matter are governed by and construed in accordance with the law of Scotland.

10.2 Each party irrevocably agrees that the courts of Scotland have exclusive jurisdiction to settle any dispute, claim or matter that arises out of or in connection with this Agreement.

THIS AGREEMENT on this and the preceding 5 pages is signed as follows:-

Signed by Forth Valley College as follows:

Principal Witness
At (*Place*): Full Name
On (*Date*): Address

Signed by for and on behalf of Forth Valley College Foundation as follows:

Director Witness
At (*Place*): Full Name
On (*Date*): Address

Board of Management

Subject: Budget 2014/15	Agenda Item: 12
Date: 27 March 2014	FOR APPROVAL

1. Purpose of Report

To submit the Budget for 2014/15 to the Board of Management for discussion and approval.

2. Recommendation

The Board of Management considers and approves the Budget for 2014/15.

3. Background

Until 2014 Colleges' financial years mirrored the academic year and the year end was therefore 31 July. Budgets would be presented to the Board of Management in June prior to the start of the new academic year in August.

The reclassification of FE colleges as being Arms-length Public Bodies from 1 April 2014 has resulted in a number of changes in relation to budgets;

- the year-end date is changing to 31 March and budgets must now be prepared on a financial year (FY) which runs April to March rather than an academic year (AY) of August to July.
- the College must submit a cash flow forecast in March of each year to SFC which is on a FY basis
- the College must also manage its budgets in terms of resource allocations which control overall public spending
- the College cannot retain surplus funds and must therefore transfer operating surpluses to an Arm's Length Foundation to protect these surpluses.

4. Key considerations

The 2014/15 Budget (Appendix 1) is showing an operating surplus of £137k which excludes potential FRS 17 adjustments and does not incorporate any donation of surpluses to Forth Valley College Foundation.

5. Financial Year v Academic Year

The table below demonstrates the interaction between Academic Years (AY) and Financial Years (FY).

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
AY	AY 14/15												AY 15/16												
FY	FY 13/14								FY 14/15								FY 15/16								

Key components of the College's income and expenditure are calculated on an academic year in line with delivery

- core SFC funding
- tuition fee and educational contract income
- teaching staff costs
- SQA exam fees

The majority of all other income and expenditure is not linked to an academic year.

6. Key Assumptions

SFC Income (Appendix 2)

- In January 2014 the SFC issued indicative allocations for AY 2014/15. The allocation for FVC is £19,766,913 based on delivery of 118,503 wSUMs. This is consistent with the 2013/14 allocations.
- ESF Income for AY 14/15 is £527,287 of which £351,525 has been included within the 14/15 FY budget. Allocation is based on delivery of 3,161 wSUMs.
- Capital Maintenance grant of £940k to offset maintenance projects within operating costs
- FE Childcare grant of £451,490 which is offset by identical expenditure within Other Costs
- Other sundry SFC income of £134,383 has been included in relation to strategic funding for Engineers of the Future, ONS support and ESOL

Tuition Fees and Education Contracts

- Tuition fees are based on the Tuition Fee and Fee Waiver Policy being proposed to the Board of Management in March 2014
- Education contracts includes our contract with SDS to deliver Modern Apprentices and Employability programmes, HEI Articulation programmes and a range of commercial contracts. HEI articulation income is based on approved programmes as detailed in Appendix 3. Commercial contracts assume the renewal of all existing contracts with a significant increase in commercial delivery of Complex training.

Other Operating Income

- This is predominately refectory and commercial catering income together with rental income for Stirling campus and sundry other income.

Investment Income

- Assumes retaining an average working capital requirement of £2m cash. This may vary once the full impact of drawing cash down from SFC v profiled monthly payments is known.

Salary Costs

- Academic budget is based on delivery hours of 792 per fte required to meet wSUM target
- Support budget is based on current structures with additional posts relating to contracts incorporated
- Incremental increases are accounted for
- 1% inflationary increase is included for all grades
- Additional scale point added to Lecturing post grade (£35,359)
- LGPS and SPPA Pension contributions remain constant at 19.4% and 14.9% respectively and also reflect the increased costs resulting from the implementation of auto enrolment
- General Salary contingency of £100k

Staff Related Costs

- Staff development costs have been reinstated to previous levels to allow for development which has been restricted due to budget constraints.
- 2014/15 includes restructure travel allowance in relation to a teaching department moving to Alloa
- Other Staff related costs remain constant

Operational costs

- Assumes the Middlefield building is not demolished until autumn of 2014 and includes costs of £50k until then
- Includes insurance costs of £123k (confirmation of whether College's are required to self insure is still outstanding)
- Additional costs of delivering new commercial contracts
- Capital Maintenance project costs of £740k have been included
- General operational costs contingency of £100k is included
- Other costs forecast to remain relatively constant

Other Costs

- Relate to Childcare costs which are offset by SFC income.

Other information

- Interest on Loan of £200k will be offset by capital maintenance grant.
- No provision is included for pension costs relating to FRS 17 valuations due to the unpredictable nature of such adjustments.

7. Risk Analysis – High

The impact of the ONS reclassification on budgets is complex and a number of issues remain outstanding such as the questions of insurance and the treatment of donations to arm's length foundations.

The budget is prepared on a financial year basis rather than an academic year over which the College operates which requires the apportionment of income and expenditure from 2 academic years.

Author: Alison Stewart	SMT: Alison Stewart
Date: 19 March 2014	Date: 19 March 2014

Appendix 1

Profit and Loss		Forth Valley College		
	2013-2014 Aug 13-July 14 Budget	2014-2015 Apr 14-Mar 15 Budget @ July 13	2014-2015 Apr 14-Mar 15 Budget @ Feb 14	
Income				
SFC Grants	20,369,838	20,369,838	21,464,764	
SFC Term Loan Interest Grant	205,000	205,000	200,000	
Tuition Fees & Education Contracts	6,865,867	7,306,677	7,471,585	
Other Grants	45,500	45,500	48,133	
Other Operating Income	1,047,156	1,047,156	1,202,956	
Investment Income	45,000	45,000	20,000	
Total Income	28,578,361	29,019,171	30,407,439	
Expenditure				
Salary Costs	20,802,961	21,165,803	21,958,574	
Staff Related Costs	337,116	337,116	381,476	
Operational Costs	5,927,370	5,948,995	6,569,400	
Other Costs	502,000	502,000	457,490	
Term Loan Interest	205,000	205,000	200,000	
Total Expenditure	27,774,448	28,158,914	29,566,941	
Trading Profit/(Loss)	803,913	860,257	840,498	
Non Cash Expenditure				
Depreciation	2,213,642	2,411,170	2,694,475	
DGR - SFC Capital expenditure	(1,504,209)	(1,738,687)	(1,991,483)	
Total Expenses	709,433	672,483	702,992	
Operational Surplus	94,480	187,774	137,506	
Revaluation Reserve	(623,383)	(623,383)	(618,705)	
Net Profit/(Loss)	717,863	811,157	756,211	
Summary				
Learning & Teaching	(9,823,105)	(9,776,867)	8,325,864	
Support Services	10,540,968	10,588,025	(7,569,652)	
	717,863	811,157	756,211	

Appendix 2

FORTH VALLEY COLLEGE						
SFC Funding	AY 2014/15	AY 2013/14	FY 2014/15			
			AY 13/14 4 months	AY 14/15 8 months	Total	
GIA						
Teaching and fee waiver	£19,766,913	£18,859,377				
Skills Fund		£570,018				
Growth		£337,518				
Total	£19,766,913	£19,766,913	£6,588,971	£13,177,942	£19,766,913	
Student number targets, AY 2014-15						
Teaching and fee waiver	118,503	113,044				
Skills Fund		3,436				
Growth		2,023				
Total	118,503	118,503				
ESF						
Funding	£527,287		£0	£351,524.67	£351,525	
Sums	3,161					
Student support						
- FE Bursary	£3,079,412	£3,039,061				
- FE Childcare	£454,167	£446,137	£148,712	£302,778	£451,490	
- HE Childcare	£173,152	£173,152				
- FE Discretionary Fund	£280,670	£280,670				
ESF - Bursary/ FE Childcare	£63,000					
Total	£4,050,402	£3,939,021				
MA to MA Engineering	£64,000	£64,000	£21,333.33	£42,666.67	£64,000	
Total	£64,000	£64,000				
Breakdown of Capital Allocations, FY 2014-15						
SFC Capital	£213,128					£471,000 *
SFC Maintenance	£1,198,326					£940,454 *
Total	£1,411,454	£1,413,878				£1,411,454
* Switch of maintenance grant to capital grant requires SFC approval						

Appendix 3

HEI Articulation programmes being delivered over academic years 2013/14 and 2014/15 are listed below. The forecast contribution from these programmes is £480k.

Heriot Watt Engineers of the Future

Heriot Watt MEng Chemical Engineering

Strathclyde BEng Chemical Engineering

Stirling BSc Applied Biological Science

Stirling BA Heritage & Conservation

Stirling BA Digital Media

Stirling BSc Computer Science

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Board of Management

Subject: Extension of Internal Audit Appointment	Agenda Item: 13
Date: 27 March 2014	FOR APPROVAL

1. Purpose of Report

To outline proposals to manage the migration of contracted internal audit services from an academic year (August to July) basis to the new financial year (April to March) as a result of the ONS reclassification of the College.

2. Recommendation

To seek approval of the Board of Management that the appointment of Baker Tilly, current internal auditor, be extended to 31 March 2015.

3. Background

Baker Tilly were re-appointed as the College internal auditors by the Board of Management on 21 September 2011. As this was a re-appointment, the Board recommended that the appointment be for a period of three years with no extension.

On 5 September 2014, the Audit Committee agreed that future Annual Audit Plans should align to the new financial year end rather than the existing academic year.

4. Considerations

Given the reliance the external auditors place on the internal audit activity it is considered more practical that Baker Tilly complete the full 2014/15 Audit Plan rather than having a change of auditors mid way through the year.

It is anticipated that the College will, in October/November 2014, commence the appointment process to identify a new firm of Internal Auditors for the provision Internal Audit Services for the financial years 2015/16 – 2017/18.

The Audit Committee considered this item at their 6 February 2014 meeting and approved this item for consideration by the Board of Management for approval

5. Risk

Low. SMT and the Audit Committee are actively engaged in setting the internal audit activity for the College and monitoring progress throughout the year

Author: Stephen Jarvie	SMT: Alison Stewart
Date: 19 March 2014	Date: 19 March 2014

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Board of Management

Subject: Principal's Report	Agenda Item: 14
Date: 27 March 2014	FOR DISCUSSION

1. Purpose of Report

To present to the Board of Management the first Principal's report on activity undertaken since the last Board meeting in December 2013.

2. Recommendation

This being the first report to Board, the Board of Management should discuss the report and comment on the content, the style and identify areas for improvement such as suggested additions and/or deletions.

3. Principal's Report to Board

- The Principal's report will highlight activity undertaken over the last three months.
- In the nine month's to date I have focussed on increasing the College's profile, whether as new Principal or in promoting and enhancing the College's reputation, developing awareness and identifying and following through on new opportunities.
- On a national basis I am now on the coordinating group of the newly formed Colleges Principals Group (CPG); on the Advisory Board of Historic Scotland's proposed National Conservation Centre and have been invited by the SQA Chairman, Graham Houston, to become a member of the SQA Accreditation Committee with a focus on vocational qualifications.
- Completed five half day induction programme for all six new Board members

4. Networking

- Presented the Best Social Enterprise Award at the Forth Valley Chamber of Commerce Awards Dinner
- Presented Best New Business at the Falkirk Herald/Falkirk Business Panel Awards Dinner
- Hosted, at the Stirling Campus, the launch of Destination Stirling attended by 200 local businesses
- Hosted the launch of Stirling Chamber of Commerce at the Stirling Campus attended by 100+ business people.
- Was invited to the ministerial launch of Bannockburn Live at Stirling Castle as guest of VisitScotland
- I attended the UK TES Awards in London with Forth Valley College staff and Anne Mearns representing the Board. Andy Lawson and I used the opportunity to meet with British Council to follow up initial discussions about potential project partners for future international opportunities. Contact made with Harrow College and ProSkills.

5. Presentations

- Hugh Hall and I hosted Scottish Funding Council's Strategic Dialogue with SMT, Board members, staff and students. A full report is noted on the agenda.
- I presented to a CAPITA organised conference in Edinburgh on School College Partnership, showcasing the SCOTs Programme currently underway with Falkirk Council.
- I presented to SDS regional conference on the theme of Change in the FE sector
- I gave a similar presentation to Stirling Councils Senior Educational Managers
- I was a speaker at Stirling Council's launch of their Priority Based Budgeting consultation presenting on the journey College's have been through over the last three years with particular reference to Forth Valley College.
- SMT hosted a daylong seminar with 43 College managers at the Stirling Management Centre to discuss the development of the College's Operational Plan. Bob Jack, Chief Executive of Stirling Council, was a very effective key note speaker.

6. Appointments

The following appointments were undertaken in the first three months of 2014 with a brief justification

- Director General for Finance, Scottish Government - Alyson Stafford, with Hugh Hall to discuss potential funding opportunities and to tour Stirling Campus
- Falkirk Town Centre Manager - Alistair Mitchell, – possible projects for Forth Valley College, awareness raising for new Falkirk Campus
- Education Scotland - Peter Connelly (HMI) – regular meeting with College HMI
- OPITO - John MacDonald, MD and Gordon McNeil, Operations Director OPITO – signing of contract and strategic discussion on future opportunities
- WoSCOP - Morag Kerr, CEO and Dugald Craig – identifying the potential for future European bids through a sectoral membership body
- SDS Senior team - Katie Hutton, Tony Coulter, Fiona Stewart, Karen Murray –meeting with myself and Colette Filippi to help them better understand a regional college and to discuss future strategic opportunities
- SDS - Gordon McDougal, Regional Director for – regular updating meeting
- STEP - Gordon Bell, CEO – developing common understanding of Stirling's business community and identifying and implementing Business Gateway programmes within Stirling Campus for potential self employed students
- Scottish Canals - Steve Dunlop, CEO– Strategic opportunities through links with the HELIX and future training programmes
- Children's University - Mary Brittain, CEO– discussion following a connection made at the opening of the Strathclyde University Engineering Academy in November 2013. Unlikely we'll take this forward due to cost and added value for College but will use the graduation model for SCOTs programme.
- Education Scotland - Ron Cowie, – consultation meeting with Fiona Brown to discuss skills development in Colleges
- British Council - Neil Shaw, – meeting arranged following a Colleges Scotland dinner with British Council to discuss internationalisation and involvement with projects
- Scottish Enterprise - Charlie Stewart – introductory meeting with Charlie as SE representative for Forth valley
- Forth Ports - Stewart Wallace, MD– introductory meeting and strategic discussions. SMT to be held at Forth Ports in late April
- SDI - Mark Newlands – introductory meeting and discussion on future internationalisation opportunities
- CBI Scotland - Alan Mitchell and Andrew Palmer, – introductory meeting resulting in Forth Valley College becoming first CBI corporate members. Excellent opportunities for SMT and senior managers in CPD activity and intelligence

- SFC - John Kemp, Director Strategic Development and Andrew Youngston, Outcome Agreement Manager – discussion on Concept Plan and regionalisation of colleges. Agreement on OBC (recognising no money as yet for next stage) and paper to be produced to access funding for demolition of Middlefield building.
- Destination Stirling - Douglas Ross, Chair and Geoff Morrison, Manager, Destination Stirling – supporting set up and launch of the organisation from Stirling Campus.
- Queen Victoria School, Dunblane - Wendy Bellows, Head teacher. Engaging the MoD Boarding School with school college partnership opportunities
- Diageo - Robert McElroy, Site Technical Director and David Wotherspoon with Joanna McGillivray – Technical Manager – introductions and future opportunities particularly in student placement and support for new estate
- Ingenza – Ian Archer, Head of Process Development and Alison Frew Head of Quality with Joanna McGillivray (FVC) – introductions and future opportunities in industrial biotechnology
- SECTT - Anne Galbraith, CEO – discussion on contractual arrangements

7. College Sector Appointments

- Margaret Monckton, Acting Principal Perth College
- Carol Turnbull, Principal, Dumfries and Galloway College
- Paul Little, Principal, City of Glasgow College
- I continue to be on the Principal's Leading and Learning Committee which is a steering committee to support Colleges Development Network (CDN) in developing CPD for College Principal's, SMT and senior managers.
- Attended the Holyrood Parliament reception for City of Glasgow College

8. Contact with Scottish Government

- Met with Michael Matheson MSP (Falkirk East) to discuss Falkirk estate and new strategic plan for Forth Valley College
- Keith Brown Transport Minister and MSP Dunblane and Alloa – Introductory meeting
- John Swinney, MSP and Cabinet Secretary for Finance, Secretary of State for Scotland, Alistair Carmichael MP and the Minister of State for Energy, Michael Fallon MP – meeting organised by Falkirk Council and Scottish Government to take stock on developments post Ineos.
- Fergus Ewing MSP and Minister for Energy, Enterprise and Tourism – official launch of our OGAS facility

9. College News

- The College were shortlisted for the UK Provider of the Year TES awards in London and two staff, Dr Monica McLeod and Richard Reid, shortlisted for Innovative Lecturer of the Year with Richard being the outright winner. The College took a table for 10 which included the two finalists, three SMT, Anne Mearns from the Board and four staff from across the College.
- The College's Communications and Marketing Department won the best Customer Experience Award at the Colleges Scotland Marketing Awards in Glasgow.
- I was presented, on behalf of the College, the LGBT Foundation Chartermark at an evening event held in the College
- Forth Valley College won the Scottish Training Federation's Training Provider of the Year at the annual conference in Crief.
- I attended a very successful MA Open Evening hosted by our Business Development Department
- I welcomed an SDS/Falkirk Schools event held over one morning at Falkirk Campus
- Keith Brown, MSP opened our FM National Centre in Alloa
- Michael Matheson, MSP, launched our Scottish Power Transmission Training Centre

- Fergus Ewing, MSP and Minister for Energy, Enterprise and Tourism, opened our Oil and Gas Academy, Scotland (OGAS) facility which was a recent £1.2 million investment by Energy Skills Scotland and SFC.

10. Community Planning Partnership

- I attended one meeting of the Falkirk Community Planning Partnership Leadership group.
- I attended two Stirling Community Planning Partnership Leadership Group meetings with Anne Mearns as Forth Valley College Board representative and am the Strategic Lead for Employability, tackling barriers to employment & increasing skills
- As Strategic lead for Employability, Tackling Barriers to Employment & Increasing Skills I have chaired two meetings of the Stirling Local Employability Partnership (LEP) which have three project themes in “Delivering the Pipeline”, “Improving and Developing Employer Engagement” and in “Developing Client Training and Referral”.

Author: Ken Thomson	SMT: Ken Thomson
Date: 21 March 2014	Date: 21 March 2014

Board of Management

Subject: Board of Management Transitional Arrangements	Agenda Item: 15
Date: 27 March 2014	FOR DISCUSSION

1. Purpose of Report

To inform members of the changes to Board of Management membership and recruitment requirements resulting from the Post 16 Education (Scotland) Act 2013.

2. Recommendation

That Members to the note the changes and the impact on current Board Membership.

3. Background

The Post 16 Education (Scotland) Act 2013 “(the Act”) received Royal Assent in August 2013. The Act made a number of provisions in relation to Board of Management membership and recruitment. The key provisions were

- The Board of Management of Forth valley College would be designated as a regional college
- The Regional Chair would be appointed by Ministers through the Public Appointments Commissioner for Scotland
- The number of members would increase to be between 16 and 18, which includes an additional Student Member
- Future recruitment of Board Members would be on an open and competitive basis which will be underpinned by Ministerial guidance.

4. Changes implemented from March 2014

On 3 March 2014, the Board of Management of Forth Valley College was designated as a regional college. This designation is achieved by the Designation of Regional Colleges (Scotland) Order 2014.

Hugh Hall has been appointed by the Scottish Ministers as chair of the Board of Management.

In relation to other members

- the Board members elected by the teaching staff & non-teaching staff continue in office for the period until the expiry of their term office as a member of the Board of Management or until 2 March 2015, whichever comes first
- the Board member nominated by the students' association continues in office as a member of the Board of Management for the period until 31 August 2014
- all other persons ("ordinary members") who were immediately before 3 March 2014 members of the board of management (except the Principal) continue in office as members of the Board of Management for the period until the expiry of their term of office as a Board member or until 2 March 2015, whichever comes first
- the Principal of the College is on the College Board by right of their position and therefore Ken Thomson remains a member of the Board
- the College's students' association is to nominate a second student to the College Board. The Student Union have identified two potential candidates and the College Corporate Services team will support the Student Union through the election process

A letter from Michael Cross confirming these changes is attached for information.

The Scottish Government also announced on 12 March 2014 their intention to launch a consultation in April 2014 to look into setting mandatory quotas for the number of female Board members for public bodies. The College will monitor progress with this matter, incorporating any new requirements into our recruitment efforts and report back to the Committee in due course.

The news story can be accessed via this link <http://news.scotland.gov.uk/News/Calls-to-close-gender-gap-on-boards-a4d.aspx>

5. Re-appointment of Existing Board Members

The majority of "ordinary members" term of office will end of 2 March 2015 and those members will therefore need to re-apply through an open recruitment process if they wish to continue to serve of the Board of Management of Forth Valley College.

Arrangements will be put in place for the Nominations Committee to complete a full recruitment process, in line with the ministerial guidance, prior to March 2015. At that point all members appointed will be appointed for a period of no more than 4 years. Members will then have the option for their appointed to be extended for a further period of up to 4 years subject to the Chair's and Ministerial approval. At the end of the extended appointment members may re-apply through the open recruitment process.

In order to avoid the potential for all Board members term of office to expire at the same time in the future, it will be necessary to stagger the initial terms of office for appointments made as part of the 2014/15 recruitment process.

A copy of the draft ministerial guidance is attached for information. The College has the opportunity to comment on this guidance by 30 May 2014 and Dr Bill Blair and Ms Beth Hamilton of the HR (Inc. Nomination) Committee of the Board have volunteered to work with the College Senior Management to prepare this response.

6. Risk - Medium

The majority of “ordinary members” term of office will expire on 2 March 2015 which could result in a loss of continuity for the Board of Management. To mitigate against this a full recruitment process will be completed by early 2015 and terms of office for the new appointments will be staggered to ensure continuity in the future.

Author: Alison Stewart	SMT: Alison Stewart
Date: 19 March 2014	Date: 19 March 2014

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T: 0300 244 1292 F: 0300 244 1270
E: Michael.Cross@scotland.gsi.gov.uk



Alison Stewart
Secretary to Board of Management
Forth Valley College of Further and Higher Education
Grangemouth Road
Falkirk
FK2 9AD



4 March 2014

Dear Alison Stewart

**SECTION 6(2) OF THE POST-16 EDUCATION (SCOTLAND) ACT 2013
BOARD OF MANAGEMENT OF FORTH VALLEY COLLEGE OF FURTHER AND
HIGHER EDUCATION**

1. As you will be aware, colleges are going through a radical programme of reform supported by the Post-16 Education (Scotland) Act 2013 (“the 2013 Act”).
2. A central part of the reforms involve new arrangements for college boards of management, which include:
 - Ministerial appointment of regional college chairs, regulated by the Public Appointments Commissioner for Scotland;
 - open and competitive board appointment processes on boards, underpinned by new Ministerial guidance. We are currently consulting on this guidance before it is issued¹;
 - refreshing the membership of boards of management of incorporated colleges².
3. I am writing to advise you that, as of 3 March 2014, the board of management of your college was designated as a regional college. This designation is achieved by the Designation of Regional Colleges (Scotland) Order 2014³. Section 6(1) of the 2013 Act, which makes new provision for the composition of college boards of management by amending Schedule 2 to Further and Higher Education (Scotland) Act 1992 (“the 1992 Act”) came into force on that date in relation to your college.

¹ <http://www.scotland.gov.uk/Publications/2014/01/3875/downloads>

² “Incorporated colleges” are colleges with a board of management under part 1 of the Further and Higher Education (Scotland) Act 1992.

³ <http://www.legislation.gov.uk/ssi/2014/22/contents/made>

Sections 23A to 23D of the Further and Higher Education (Scotland) Act 2005 also came into force on that date and make provision for functions of regional colleges.

Arrangements for college boards of management from 3 March 2014

4. In putting in place a framework for refreshing the membership of boards, the Cabinet Secretary has sought to balance the need for business continuity with the need to move with pace towards the new, more transparent appointments system. Mr Russell has concluded that a standard migration period of one year (for existing members of boards of management) would best achieve this balance.

5. To achieve this, Ministers are exercising their powers under section 6(2) of the 2013 Act to make arrangements in relation to a board of management of a college of further education in connection with the coming into force of section 6(1) of the 2013 Act.

6. Against the background that Hugh Hall has been appointed by the Scottish Ministers as chair of the board of management, additionally the Scottish Ministers, in exercise of their powers under section 6(2)(b) of the 2013 Act, make the following arrangements with effect from 3 March 2014 for the Board of Management of Forth Valley College of Further and Higher Education which is designated as a regional college on that date:

- a) the board member elected by the teaching staff continues in office as a member of the board of management as if they were appointed under paragraph 3(2)(c) of Schedule 2 to the 1992 Act for the period until the expiry of their term office as a member of the board of management or until 2 March 2015, whichever comes first;
- b) the board member elected by the non-teaching staff continues in office as a member of the board of management as if they were appointed under paragraph 3(2)(d) of Schedule 2 to the 1992 Act for the period until the expiry of their term office as a member of the board of management or until 2 March 2015, whichever comes first;
- c) the board member nominated by the students' association continues in office as a member of the board of management as if they were appointed under paragraph 3(2)(e) of Schedule 2 to the 1992 Act for the period until 31 August 2014;
- d) all other persons who were immediately before 3 March 2014 members of the board of management (except the principal) continue in office as members of the board of management as if they were appointed under paragraph 3(2)(f) of Schedule 2 to the 1992 Act for the period until the expiry of their term of office as a board member or until 2 March 2015, whichever comes first.

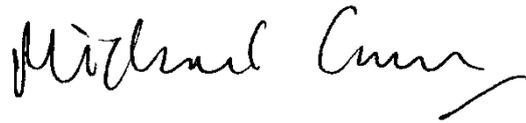
7. There is no need for the Scottish Ministers to continue in office the principal of the college as they are on the college board by right of their position. Ken Thomson therefore remains a member of the board by virtue of paragraph 3(2)(b) of Schedule 2 to the 1992 Act.

8. In relation to student members of the board, given the college is designated as a regional college, the college's students' association is to nominate a second student to the college board by virtue of paragraph 3(2)(e) of Schedule 2 to the 1992 Act.

9. I trust that this information is helpful. My colleague Col Baird in our Governance Team will be very happy to discuss any related matters with you. He can be contacted at colin.baird@scotland.gsi.gov.uk or on 0300 244 1312.

10. I am copying this letter to Hugh Hall and Ken Thomson. I should be grateful if you could arrange for copies of the letter to go to all other board members so that they are also aware of arrangements made.

Yours sincerely



MICHAEL CROSS
Deputy Director

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College Sector Board Appointments: Draft Ministerial Guidance

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**The Scottish
Government**
Riaghaltas na h-Alba

COLLEGE SECTOR BOARD APPOINTMENTS: DRAFT MINISTERIAL GUIDANCE

1. INTRODUCTION

“Strong governance of the sector matters. We entrust those who govern with ensuring that colleges are well led and managed so that they meet their objectives, deliver positive outcomes and provide good value for taxpayers who fund the services. Just as they hold college managers to account for their actions, they too must be accountable for their stewardship of this important public service.”

Michael Russell MSP

Cabinet Secretary for Education and Lifelong Learning

Reinvigorating college governance: The Scottish Government response to the report of the review of further education governance in Scotland, June 2012

1.1 This consultation paper seeks comments on draft Ministerial guidance on appointments to college sector boards. It includes a series of questions. The questions are also set out in the formal respondent information document. We are inviting written responses by **Friday 30 May 2014**.

1.2 Please send the completed Respondent Information Form, which will include your response, to FEMailbox@scotland.gsi.gov.uk

or

College Sector Board Appointments Consultation
Colleges and Adult Learning Division
Scottish Government
6th Floor, Atlantic Quay
150 Broomielaw
Glasgow G2 8LU

1.3 If you have any queries contact Col Baird at the above email address or on 0300 244 1312.

1.4 Information about the wider role of Scottish Government consultation is at **Annex A**.

1.5 A list of consultees is at **Annex B**.

Draft guidance

1.6 Guidance that results from this consultation will be issued by the Scottish Ministers to:

- Regional college boards concerning the appointment of ‘ordinary’ board members to those boards;
- Regional Boards concerning the appointment of ‘ordinary’ board members to those boards; and
- Regional strategic bodies concerning the appointment of the chair and ‘ordinary’ board members of assigned incorporated college boards.

References in this draft guidance

Legislation

1.7 References to:

- the 1992 Act are to the Further and Higher Education (Scotland) Act 1992;
- the 2005 Act are to the Further and Higher Education (Scotland) Act 2005; and
- the 2013 Act are to the Post-16 Education (Scotland) Act 2013.

1.8 References to the 1992 Act and 2005 Act are to the Acts as amended by the 2013 Act.

Other references

1.9 Other references in this draft guidance:

- An “incorporated college” is a college with a board of management under part 1 of the 1992 Act.
- A “regional college board” is the board of management of an incorporated college designated by order under section 7A(1) of the 2005 Act as a regional college.
- A “regional strategic body” is a body listed in schedule 2A to the 2005 Act. The functions of a regional strategic body include appointing the chair and ordinary board members of assigned incorporated colleges.
- A “Regional Board” is a type of regional strategic body that is listed in Part 1 of schedule 2A to the 2005 Act. Unlike any other regional strategic body, the constitution of a Regional Board is set out in the 2005 Act¹.

¹ Further information about the differences between Regional Boards and the other type of regional strategic body is set out in the Scottish Government draft summary guide at <http://www.scotland.gov.uk/Topics/Education/post16reform/hefegovernance/CollegeReformsandPost-16Act>

- An “assigned incorporated college board” is the board of management of an incorporated college assigned to a regional strategic body by order under section 7C(1) of the 2005 Act.
- A “college sector board” is a board of either an incorporated college or a Regional Board. An “ordinary board member” is a member who is not the chair and who does otherwise hold a specific position on the board².

Ministers’ powers and this guidance

1.10 Ministers have powers under paragraph 3C(1) of Schedule 2 to the 1992 Act to issue guidance, following consultation, to regional college boards and regional strategic bodies in relation to appointments to regional college boards and assigned incorporated college boards.

1.11 Regional college boards and regional strategic bodies must have regard to such guidance when appointing board members.

1.12 Ministers also have powers under paragraph 3(6) of schedule 2B to the 2005 Act to issue guidance, following consultation, to Regional Boards in relation to appointment to those boards. Regional Boards must have regard to such guidance when appointing board members.

1.13 This guidance is issued under paragraph 3C(1) of Schedule 2 to the 1992 Act and paragraph 3(6) of schedule 2B to the 2005 Act.

² i.e. is not a student or staff member; and in the case of a college board, is not the principal; and in the case of a Regional Board, is not the chair of an assigned college.

2. OVERVIEW

2.1 All college sector board members play a vital role in ensuring that colleges and Regional Boards fulfil their roles, including meeting learner and business needs, ensuring value for money for taxpayers, and working in partnership with learners and staff.

2.2 Strong, accountable governance requires board members who reflect Scotland's diverse population with the right skills, knowledge, attributes and experience to make a valuable contribution to an effective board.

2.3 A key element of recent reforms to the college sector in Scotland has been to make significant improvements to the accountability of boards. Many of the measures – including those about appointments - being put in place to achieve this were recommended by the Review of FE Governance, published in January 2012³, and were built on in the legislative changes brought in by the 2013 Act.

2.4 The new transparent appointment system for college sector boards aims to:

- a) enhance public accountability
- b) have boards that are properly equipped to perform the role asked of them to achieve positive outcomes
- c) encourage participation from a wide and representative group of individuals
- d) generate greater confidence in college governance arrangements.

2.5 This guidance:

- a) identifies the **skills, knowledge, attributes and experience** of board members to enable college sector boards to perform effectively; and
- b) outlines, in general terms, the **process** by which appointments should be made or extended to support a robust, effective, transparent system in which learners, staff, business, wider society and Ministers will have confidence.

³<http://www.scotland.gov.uk/Topics/Education/UniversitiesColleges/17135/CollegeGovernanceReview/FEGovernanceReport>

3. REGIONAL COLLEGE BOARDS – APPOINTMENT OF ‘ORDINARY’ BOARD MEMBERS

What is a regional college board?

3.1 As previously outlined, a “regional college board” is the board of management of an incorporated college designated by order under section 7A(1) of the 2005 Act as a regional college.

Membership of a regional college board

3.2 Paragraph 3(1) of Schedule 2 to the 1992 Act outlines that a regional college board must comprise in total between 15 and 18 members. All paragraph references in this section are to that schedule.

3.3 Paragraph 3(2) details that the board must comprise:

- A chair appointed by Scottish Ministers
- The principal of the college
- Two elected staff members (one teaching and one non-teaching)
- Two nominated student members
- Ordinary board members appointed by the board.

3.4 A regional college board must therefore have between 9 and 12 ordinary board members.

3.5 Other key matters outlined in Schedule 2 to the 1992 Act include:

Appointment of ordinary members of a regional college board

- Ordinary board members are appointed by the regional college board, with the approval of its chair and Scottish Ministers. [Paragraph 3(3)]

Terms and conditions of appointment of ordinary board members

- An ordinary board member of a regional college board holds and vacates office on such terms and conditions as the board may determine⁴. [Paragraph 5(1)]

⁴ The regional college board also determines the terms and conditions of appointment of staff and student members.

Length of appointment, extension and re-appointment of ordinary board members

- An ordinary board member is to hold office for a period not exceeding four years. [Paragraph 5(2)(c)]
- A regional college board may extend the period of appointment of an ordinary board member for a single further period not exceeding four years; such an extension requires to be approved by the chair of the regional college board and Scottish Ministers. [Paragraph 5(2B)]
- After an appointment has ended, a person is eligible for re-appointment. [Paragraph 5(1)]

3.6 **Annex C** outlines the routes for ordinary members to continue on boards.

Equal opportunities

3.7 Regional college boards are bound by the Equality Act 2010. Section 26A of the 2005 Act provides that, among other things, when a regional college board makes appointments to its board, it must do so in a manner which encourages equal opportunities and in particular the observance of the equal opportunities requirements.

3.8 The terms “equal opportunities” and “equal opportunity requirements” are defined in section L2 of part II of Schedule 5 to the Scotland Act 1988. “Equal opportunities” means the prevention, elimination or regulation of discrimination between persons on grounds of sex or marital status, on racial grounds, or on grounds of disability, age, sexual orientation, language or social origin, or of other personal attributes, including beliefs or opinions, such as religious beliefs or political opinions. “Equal opportunity requirements” means the requirements of the law for the time being relating to equal opportunities.

Not eligible for appointment

3.9 Paragraph 5A of Schedule 2 to the 1992 Act makes provision for persons not eligible for appointment as a board member of an incorporated college. Paragraph 5A is reproduced at **Annex D** for ease of reference.

Scottish Ministers’ powers to require information

3.10 Scottish Ministers have powers under section 12(6) of the 1992 Act to require incorporated college boards to give such information as Ministers require for the purposes of the exercise of their powers under the Act. This extends to information

Scottish Ministers may require in order to consider whether to approve the appointment or extension of a board member of a regional college board.

Guidance

3.11 Paragraph 3C(1) details that in making appointments and in extending the period of appointment a regional college board must have regard to any guidance issued by Scottish Ministers in relation to the making of such appointments (including any guidance on the desirability of appointing members with particular skills and experience).

3.12 Before issuing guidance to regional college boards under paragraph 3C(1), paragraph 3C(2) requires Scottish Ministers to consult a list of bodies.

3.13 Paragraph 3C(3) enables Scottish Ministers to issue different guidance for different purposes. It is for this reason that the Ministers can, for example, issue different guidance to regional strategic bodies in respect of assigned colleges and to regional college boards.

Relevant committee with responsibility for board appointments and extensions

3.14 A regional college board is to establish a relevant committee to nominate board member appointments and extensions. The chair of the regional college board should normally chair this committee.

3.15 The principal of the college must not be a member of this committee, as there is a conflict of interest. The principal could, however, be asked by this committee to provide information to it (if required), whether in person to the committee or in writing.

Assessing the skills and experience required

3.16 Before beginning an appointments process, the relevant committee of the board is to identify the skills, knowledge, attributes and experience of existing board members.

3.17 This should be compared against the future needs of the board to enable it to perform effectively, taking into account the anticipated challenges and opportunities facing the college. In doing so, boards should demonstrate that they have drawn on a variety of regional and national sources of intelligence and information to evidence the gaps that are to be filled through the appointments process.

Skills, knowledge, attributes and experience of board members

3.18 Board members will be expected to adhere to the Principles of Public Life in Scotland and act at all times in good faith and in the best interests of the learners (see **Annex F**).

3.19 In appointing a person as an ordinary member of a regional college board, the board must have regard to the desirability of appointing someone who has proven:

- a) an ability to work successfully at a senior level, maintaining and developing excellent corporate governance
- b) an ability to contribute to the development of a vision and strategic direction for the college, and to help guide the delivery of planned outcomes in challenging circumstances
- c) an ability to engage and communicate effectively with a wide range of individuals and organisations
- d) senior level experience in building networks that help achieve shared objectives
- e) an understanding of the context in which the college operates, namely in terms of education and improving public services
- f) such other skills, knowledge, attributes or experience as the regional college board considers relevant.

3.20 The following is also considered desirable:

- a) proven experience of, or capacity in, further and/or higher education
- b) proven experience of, or capacity in, industry, commerce, finance, the Third Sector, local authority or trade union(s).

Representativeness

3.21 Moreover, boards should aim to have:

- a) a membership which, as far as possible, reflects the make-up of the population which they serve
- b) a majority of ordinary board members who have proven experience, or knowledge, of the region.

3.22 As required by the 2005 Act, in appointing members, a regional college board must do so in a manner which encourages equal opportunities and in particular the observance of the equal opportunities requirements.

Number of board members receiving remuneration

3.23 A regional college board cannot remunerate individuals for their role as a member of the board (other than its chair). However, as it is possible that members of staff of a college may seek to become 'ordinary' board members as private citizens like any other person, the board must ensure that less than half of its members receive remuneration from the board. Members receiving remuneration include the chair (as a remunerated board appointment); any salaried members of staff on the board, including the principal; and any sabbatical student members (whether remunerated directly by the college or by the college's students' association).

Open recruitment process

3.24 The board must conduct a fair, open and merit-based recruitment process, which includes:

- 1) for any particular appointment or appointments round, the relevant committee should identify an independent person to be part of the process throughout (including development of person specification, assessment criteria and methods as well as involved at the sift and interview) to ensure openness in the appointment round and to instil confidence in it. They must have otherwise no connection with the college (e.g. they must not be a board member, a member of any other college committee or an employee of the college)⁵. However, they must be:
 - i. knowledgeable about the regional college
 - ii. understand the skills, knowledge, experience and attributes required of the person(s) to be appointed
 - iii. have demonstrated sound judgment and decision-making.
- 2) Positions advertised with clear information on the role description, person specification, and assessment criteria and methods. This includes advertising on the Public Appointments website⁶.
- 3) Timely information provided to both successful and unsuccessful candidates with an offer of feedback after application sift and interview stages.
- 4) Names of candidates that have the support of the chair submitted to the relevant committee.

⁵ The same person can be appointed for more than appointment round. However, care should be taken to avoid excessive reliance on the same person or persons, so as to call into doubt their credibility as an independent person.

⁶ <http://www.appointed-for-scotland.org/>

- 5) An appointment made public once Ministerial approval has been given and the person has accepted the position in writing.

3.25 The **Code of Practice for Ministerial Appointments to Public Bodies in Scotland**⁷ and accompanying guidance⁸ are helpful reference tools in making appointments. While they are intended for regulated Ministerial public appointments, the principles of and approach set out by the code are relevant to and should underpin college sector board recruitment and appointment.

Extending board member appointments

3.26 Where an appointment has not already been extended, the relevant committee is to consider whether the needs of the board will be most effectively met by extending an appointment or by making a new appointment.

3.27 In reaching a view, the committee will balance any benefits of continuity provided by an extension with the potential opportunity to increase the range of relevant skills, knowledge, attributes and knowledge on the board by making a new appointment through open competition. Reaching a decision to make a new appointment through open competition would not prevent the person vacating the post from applying for the new appointment.

3.28 Subject to the special arrangements after the completion of a board member's 'migrated' period of office ends (see below), an appointment can be extended (for one single period) only if:

- a) the board member has performed satisfactorily, with evidence of regular assessments of performance to evidence this;
- b) that the board member's skills, knowledge, attributes and experience remain relevant to the anticipated future needs of the board.

Special arrangements after the completion of a board member's 'migrated' period of office ends

3.29 When a college is first designated as regional in 2014, existing ordinary board members will be 'migrated' to the regional college board. They will serve until the expiry of their current term of office or one year, whichever comes first. After this 'migrated' period ends, an ordinary board member appointment is not to be

⁷ <http://www.publicappointments.org/publications/publication/222/2013-code-of-practice-for-ministerial-appointments-to-public-bodies-in-scotland>

⁸ <http://www.publicappointments.org/publications/publication/223/guidance-on-the-2013-code-of-practice>

extended. The post is instead to be filled through an open recruitment process as outlined in paragraphs 3.24-3.25.

3.30 It would be open to the person vacating the post to apply for the new appointment. To be clear: if they are subsequently re-appointed, it would be open to the board to extend that appointment at the end of the period of the new appointment. The special arrangements only apply to the end of the 'migrated' period of office.

Ministerial approval

3.31 Before a regional college board may appoint an ordinary board member or extend an ordinary board member's period of appointment, the board must obtain the approval of both its chair and Scottish Ministers.

3.32 Scottish Ministers will not normally consider the approval of an ordinary board member unless both the board and the regional college chair have already approved the appointment, and requested Ministerial approval.

3.33 When Scottish Ministers consider whether to approve the appointment or extension of ordinary board members they will take into account the extent to which the regional college board has, in the view of Ministers, paid sufficient regard to this guidance.

3.34 When submitting the name of a person to Scottish Ministers for their approval, the chair of the regional college board should confirm that:

- a) the chair and the board are requesting Ministers to approve the appointment or extension;
- b) the appointment (or extension of appointment) was made having regard to this guidance (and if not, the reasons why not, see paragraph 3.35 below);
- c) in particular for appointments, that an open recruitment process was followed;
- d) in particular for extensions, that the existing board member has performed satisfactorily and there are regular assessments of performance to evidence this.

3.35 If, in exceptional circumstances, a regional college board intends to make an appointment without following an open recruitment process or to extend an appointment without evidence of the satisfactory performance of the board member, the board must inform Scottish Ministers at the earliest opportunity, ahead of submitting a name for approval.

3.36 In the event that Ministers do not approve an appointment, they will write to chair of the regional college board giving their reason.

3.37 It would be open to the regional college chair to put forward other persons from the appointment round who the board and the chair consider suitable to be appointed in the event that Ministers did not approve their preferred choice.

3.38 Given that this is a potential outcome, the board should avoid advising such people that they have not been successful until Ministerial approval has been given.

3.39 In the event that there was no other suitable candidate, the board would begin a new open recruitment process.

Term of board appointments or extensions

3.40 A regional college board will determine the length (of up to 4 years) of a board appointment or extension based on needs of the board, having regard to the desirability of avoiding a substantial number of board appointments potentially ending around about the same time.

Consultation questions

Q1. We should welcome comments on the establishment of a relevant committee to nominate appointments and extensions, including identifying skills etc. of existing board members.

Q2. We should welcome comments on the skills, knowledge and attributes and experience of board members (essential and desirable), including on representativeness.

Q3. We should welcome comments on the open recruitment process, including on arrangements for an independent person.

Q4. We should welcome comments on extending board appointments, including on special arrangements after the migrated period.

Q5. We should welcome comments on any other aspect of the guidance in relation to regional college boards.

4. REGIONAL BOARDS – APPOINTMENT OF ‘ORDINARY’ BOARD MEMBERS

What is a Regional Board?

4.1 As previously outlined, a “Regional Board” is a type of regional strategic body that is listed in Part 1 of schedule 2A to the 2005 Act. Its constitution is set out in schedule 2B to the 2005 Act.

Membership of a Regional Board

4.2 Paragraph 3(1) of schedule 2B to the 2005 Act provides that a Regional Board must consist of no fewer than 15 members. All paragraph references in this section are to that schedule.

4.3 Paragraph 3(2) provides that it must comprise:

- A chair appointed by Scottish Ministers
- The chair of each college assigned to the Regional Board
- Two elected staff members (one teaching and one non-teaching)
- Two nominated or elected student members
- Up to ten ordinary board members appointed by the board.

Appointment of ordinary members of a Regional Board

- Ordinary board members are appointed by the Regional Board, with the approval of its chair and Scottish Ministers. [Paragraph 3(5)]

Terms and conditions of appointment of ordinary board members

- An ordinary board member of a Regional Board holds and vacates office on such terms and conditions as the board may determine⁹. [Paragraph 7(1)(b)]

Length of appointment, extension and re-appointment of ordinary board members

- An ordinary board member is to hold office for a period not exceeding four years. [Paragraph 7(2)(e)]
- A Regional Board may extend the period of appointment of an ordinary board member for a single further period not exceeding four years; such an extension requires to be approved by the chair of the Regional Board and Scottish Ministers. [Paragraph 7(4)]

⁹ The Regional Board also determines the terms and conditions of appointment of staff and student members.

- After an appointment has ended, a person is eligible for re-appointment.
[Paragraph 7(8)]

4.4 **Annex C** outlines the routes for ordinary members to continue on boards.

Appointment of ordinary members of a Regional Board

4.5 Paragraph 3(5) provides that ordinary board members are appointed by the Regional Board, with the approval of the chair of the regional college board and Scottish Ministers.

Equal opportunities

4.6 Section 26A of the 2005 Act provides, among other things, that when making appointments to its board, a Regional Board must do so in a manner which encourages equal opportunities and in particular the observance of the equal opportunities requirements.

4.7 The terms “equal opportunities” and “equal opportunity requirements” are defined in section L2 of part II of Schedule 5 to the Scotland Act 1988. “Equal opportunities” means the prevention, elimination or regulation of discrimination between persons on grounds of sex or marital status, on racial grounds, or on grounds of disability, age, sexual orientation, language or social origin, or of other personal attributes, including beliefs or opinions, such as religious beliefs or political opinions. “Equal opportunity requirements” means the requirements of the law for the time being relating to equal opportunities.

Not eligible for appointment

4.8 Paragraph 6 makes provision for persons not eligible for appointment as a board member of a Regional Board. Paragraph 6 is reproduced at **Annex E** for ease of reference.

Guidance

4.9 Paragraph 3(6) provides that in making appointments and in extending the period of appointment a Regional Board must have regard to any guidance issued by Scottish Ministers in relation to the making of such appointments (including any guidance on the desirability of appointing members with particular skills and experience).

4.10 Before issuing guidance to Regional Boards under paragraph 3(6), paragraph 3(7) requires Scottish Ministers to consult a list of bodies.

4.11 Paragraph 3(8) provides that Scottish Ministers may issue different guidance for different purposes. It is for this reason that the Ministers could, for example, issue different guidance to different Regional Boards.

Relevant committee with responsibility for board appointments and extensions

4.12 A Regional Board is to establish a relevant committee to nominate Regional Board member appointments and extensions. The chair of the Regional Board should normally chair this committee.

4.13 The chief officer of the Regional Board must not be a member of this committee, as there is a conflict of interest. The chief officer could, however, be asked by this committee to provide information to it (if required), whether in person to the committee or in writing.

Assessing the skills and experience required

4.14 Before beginning an appointments process, the relevant committee of the board is to identify the skills, knowledge, attributes and experience of existing board members.

4.15 This should be compared against the future needs of the board to enable it to perform effectively, taking into account the anticipated challenges and opportunities facing the board. In doing so, boards should demonstrate that they have drawn on a variety of regional and national sources of intelligence and information to evidence the gaps that are to be filled through the appointments process.

Skills, knowledge, attributes and experience of board members

4.16 Board members will be expected to adhere to the **Principles of Public Life in Scotland** and act at all times in good faith and in the best interests of the learners (see **Annex F**).

4.17 In appointing a person as an ordinary member of a Regional Board, the board must have regard to the desirability of appointing someone who has proven:

- a) an ability to work successfully at a senior level, maintaining and developing excellent corporate governance
- b) an ability to contribute to the development of a vision and strategic direction for the Regional Board, and to help guide the delivery of planned outcomes in challenging circumstances
- c) an ability to engage and communicate effectively with a wide range of individuals and organisations
- d) senior level experience in building networks that help achieve shared objectives
- e) an understanding of the context in which the Regional Board operates, namely in terms of education and improving public services

- f) such other skills, knowledge, attributes or experience as the Regional Board considers relevant.

4.18 The following is also considered desirable:

- a) proven experience of, or capacity in, further and/or higher education
- b) proven experience of, or capacity in, industry, commerce, finance, the Third Sector, local authority or trade union(s).

Representativeness

4.19 Moreover, boards should aim to have:

- a) a membership which, as far as possible, reflects the make-up of the population which they serve
- b) a majority of ordinary board members who have proven experience, or knowledge, of the region.

4.20 As required by the 2005 Act, in appointing members, a Regional Board must do so in a manner which encourages equal opportunities and in particular the observance of the equal opportunities requirements.

Chief officer

4.21 The chief officer of a Regional Board¹⁰ may be appointed as an 'ordinary' board member of the Regional Board by the Regional Board, with the approval of its chair and Scottish Ministers, without the Board following an open recruitment process. The appointment would, like any other 'ordinary' board member, be for a period up to 4 years.

4.22 If the board were to appoint the chief officer to the Regional Board, the board must ensure the terms and conditions of the board appointment require the chief officer to vacate office as a board member if they cease to be chief officer of the Regional Board before their period of appointment to the board ends.

4.23 At the end of a period of appointment, the Regional Board should review whether the chief officer ought to be appointed again to the Regional Board. If the Regional Board want to re-appoint the chief officer, this would require the approval of its chair and Scottish Ministers.

Number of board members receiving remuneration

4.24 A Regional Board cannot remunerate individuals for their role as a member of the board (other than its chair). However, as it is possible that members of its staff

¹⁰ The chief officer of a Regional Board is its head of staff (an employee of the Regional Board).

or of an assigned college may seek to become 'ordinary' board members as private citizens like any other person, the board must ensure that less than half of its members receive remuneration from the board (either directly or from its assigned colleges). Members receiving remuneration include the chair (as a remunerated board appointment); any salaried members of college staff on the board, and any sabbatical student members (whether remunerated directly by an assigned college or by the college's students' association); and the chief officer (if appointed to the board).

Open recruitment process

4.25 The board must conduct a fair, open and merit-based recruitment process, which includes:

- 1) for any particular appointment or appointments round, the relevant committee should identify an independent person to be part of the process throughout (including development of person specification, assessment criteria and methods as well as involved at the sift and interview) to ensure openness in the appointment round and to instil confidence in it. They must have otherwise no connection with the Regional Board or any of its assigned colleges (e.g. they must not be a board member, a member of any other committee, or an employee, of the Regional Board or any of its assigned colleges)¹¹. However, they must be:
 - i. knowledgeable about the Regional Board
 - ii. understand the skills, knowledge, experience and attributes required of the person(s) to be appointed
 - iii. have demonstrated sound judgment and decision-making.
- 2) Positions advertised with clear information on the role description, person specification, and assessment criteria and methods. This includes advertising on the Public Appointments website¹².
- 3) Timely information provided to both successful and unsuccessful candidates with an offer of feedback after application sift and interview stages.
- 4) Names of candidates that have the support of the chair submitted to the relevant committee.
- 5) An appointment made public once Ministerial approval has been given and

¹¹ The same person can be appointed for more than appointment round. However, care should be taken to avoid excessive reliance on the same person or persons, so as to call into doubt their credibility as an independent person.

¹² <http://www.appointed-for-scotland.org/>

the person has accepted the position in writing.

4.26 The **Code of Practice for Ministerial Appointments to Public Bodies in Scotland**¹³ and accompanying guidance¹⁴ are helpful reference tools in making appointments. While they are intended for regulated Ministerial public appointments, the principles of and approach set out by the code are relevant to and should underpin college sector board recruitment and appointment.

Extending board member appointments

4.27 Where an appointment has not already been extended, the relevant committee is to consider whether the needs of the board will be most effectively met by extending an appointment or by making a new appointment.

4.28 In reaching a view, the committee will balance any benefits of continuity provided by an extension with the potential opportunity to increase the range of relevant skills, knowledge, attributes and knowledge on the board by making a new appointment through open competition. Reaching a decision to make a new appointment through open competition would not prevent the person vacating the post from applying for the new appointment.

4.29 An appointment can be extended (for one single period) only if:

- a) the board member has performed satisfactorily, with evidence of regular assessments of performance to evidence this;
- b) that the board member's skills, knowledge, attributes and experience remain relevant to the anticipated future needs of the board.

Ministerial approval

4.30 Before a Regional Board may appoint an ordinary board member or extend an ordinary board member's period of appointment, the board must obtain the approval of both its chair and Scottish Ministers.

4.31 Scottish Ministers will not normally consider the approval of an ordinary board member unless both the board and the Regional Board chair have already approved the appointment, and requested Ministerial approval.

¹³ <http://www.publicappointments.org/publications/publication/222/2013-code-of-practice-for-ministerial-appointments-to-public-bodies-in-scotland>

¹⁴ <http://www.publicappointments.org/publications/publication/223/guidance-on-the-2013-code-of-practice>

4.32 When Scottish Ministers consider whether to approve the appointment or extension of ordinary board members they will take into account the extent to which the Regional Board has, in the view of Ministers, paid sufficient regard to this guidance.

4.33 When submitting the name of a person to Scottish Ministers for their approval, the chair of the Regional Board should confirm that:

- a) the chair and the board are requesting Ministers to approve the appointment or extension;
- b) the appointment (or extension of appointment) was made having regard to this guidance (and if not, the reasons why not, see paragraph 4.34 below);
- c) in particular for appointments, that an open recruitment process was followed;
- d) in particular for extensions, that the existing board member has performed satisfactorily and there are regular assessments of performance to evidence this.

4.34 If, in exceptional circumstances, a Regional Board intends to make an appointment without following an open recruitment process or to extend an appointment without evidence of the satisfactory performance of the board member, the board must inform Scottish Ministers at the earliest opportunity, ahead of submitting a name for approval.

4.35 In the event that Ministers do not approve an appointment, they will write to chair of the Regional Board giving their reason.

4.36 It would be open to the Regional Board chair to put forward other persons from the appointment round who the board and the chair consider suitable to be appointed in the event that Ministers did not approve their preferred choice.

4.37 Given that this is a potential outcome, the board should avoid advising such people that that they have not been successful until Ministerial approval has been given.

4.38 In the event that there was no other suitable candidate, the board would begin a new open recruitment process.

Term of board appointments or extensions

4.39 A Regional Board will determine the length (of up to 4 years) of a board appointment or extension based on needs of the board, having regard to the desirability of avoiding a substantial number of board appointments potentially ending around about the same time.

Consultation questions

Q6. We should welcome comments on the establishment of a relevant committee to nominate appointments and extensions, including identifying skills etc. of existing board members.

Q7. We should welcome comments on the skills, knowledge and attributes and experience of board members (essential and desirable), including on representativeness.

Q8. We should welcome comments on the open recruitment process, including on arrangements for an independent person.

Q9. We should welcome comments on extending board appointments.

Q10. We should welcome comments on any other aspect of the guidance in relation to Regional Boards.

5. ASSIGNED INCORPORATED COLLEGE BOARDS – APPOINTMENT OF CHAIR AND ‘ORDINARY’ BOARD MEMBERS

What is an assigned incorporated college board?

5.1 As previously outlined, an “assigned incorporated college board” is the board of management of an incorporated college assigned to a regional strategic body by order under section 7C(1) of the 2005 Act.

What is a regional strategic body?

5.2 As previously outlined, a “regional strategic body” is a body listed in schedule 2A to the 2005 Act.

Membership of an assigned incorporated college board

5.3 Paragraph 3A(1) of schedule 2 to the 1992 Act provides that an assigned incorporated college board must comprise between 13 and 18 members. All paragraph references in this section are to that schedule.

5.4 Paragraph 3A(2) provides that it must comprise:

- A chair appointed by the regional strategic body
- The principal of the college
- Two elected staff members (one teaching and one non-teaching)
- Two nominated student members
- Ordinary board members appointed by the regional strategic body.

5.5 An assigned incorporated college board must therefore have between 7 and 12 ordinary members.

5.6 Other key matters outlined in Schedule 2 to the 1992 Act include:

Terms and conditions of appointment of ordinary board members

- The chair and ordinary board member of an assigned incorporated college board holds and vacates office on such terms and conditions as the regional strategic body may determine¹⁵. [Paragraph 5(1)]

Length of appointment, extension and re-appointment of ordinary board members

- An ordinary board member is to hold office for a period not exceeding four years. [Paragraph 5(2)(c)]

¹⁵ The regional strategic body also determines the terms and conditions of appointment of staff and student members.

- A regional strategic body may extend the period of appointment of the chair or an ordinary board member for a single further period not exceeding four years [Paragraph 5(2C)]
- After an appointment has ended, a person is eligible for re-appointment. [Paragraph 5(1)]

5.7 **Annex C** outlines the routes for the chair and ordinary members to continue on boards.

Equal opportunities

5.8 Section 26A of the 2005 Act provides that, among other things, when a regional strategic body makes appointments to an incorporated college board, it must do so in a manner which encourages equal opportunities and in particular the observance of the equal opportunities requirements.¹⁶

5.9 The terms “equal opportunities” and “equal opportunity requirements” are defined in section L2 of part II of Schedule 5 to the Scotland Act 1988. “Equal opportunities” means the prevention, elimination or regulation of discrimination between persons on grounds of sex or marital status, on racial grounds, or on grounds of disability, age, sexual orientation, language or social origin, or of other personal attributes, including beliefs or opinions, such as religious beliefs or political opinions. “Equal opportunity requirements” means the requirements of the law for the time being relating to equal opportunities.

Not eligible for appointment

5.10 Paragraph 5A makes provision for persons not eligible for appointment as a board member of an incorporated college. Paragraph 5A is reproduced at **Annex D** for ease of reference.

Guidance

5.11 Paragraph 3C(1) provides that in making appointments and in extending the period of appointment a regional strategic body must have regard to any guidance issued by Scottish Ministers in relation to the making of such appointments (including any guidance on the desirability of appointing members with particular skills and experience).

5.12 Before issuing guidance to regional strategic bodies under paragraph 3C(1), paragraph 3C(2) requires Scottish Ministers to consult a list of bodies.

5.13 Paragraph 3C(3) provides that Scottish Ministers may issue different guidance for different purposes.

¹⁶ This is because in making appointments to an assigned incorporated college board a regional strategic body is exercising one of its “other functions”.

Relevant committee with responsibility for board appointments and extensions

5.14 A regional strategic body is to establish a relevant committee to nominate college board member appointments and extensions. The chair of the regional strategic body¹⁷ should normally chair this committee.

5.15 The chief officer (or equivalent) of the regional strategic body must not to be a member of this committee, as there is a conflict of interest. They could, however, be asked by this committee to provide information to it (if required), whether in person to the committee or in writing.

Assessing the skills and experience required

5.16 Before beginning an appointments process, the relevant committee is to identify the skills, knowledge, attributes and experience of existing college board members.

5.17 This should be compared against the future needs of the college board to enable it to perform effectively, taking into account the anticipated challenges and opportunities facing the college. In doing so, regional strategic bodies should demonstrate that they have drawn on a variety of regional and national sources of intelligence and information to evidence the gaps that are to be filled through the appointments process. This should include consultation with the chair of the assigned incorporated college to help identify the needs of the college board.

Skills, knowledge, attributes and experience of chair

5.18 The college chair should be expected to adhere to the **Principles of Public Life in Scotland** and act at all times in good faith and in the best interests of the learners (see **Annex F**) and should have proven:

- a) an ability to work successfully at a senior level, maintaining and developing excellent corporate governance
- b) a successful track record of leading and driving change
- c) an ability to guide the delivery of planned outcomes in challenging circumstances
- d) an ability to engage effectively and successfully influence a wide range of stakeholders
- e) senior level experience in building strategic partnerships that can be applied in developing shared objectives and building networks across the region and college sector.

¹⁷ In the case of a regional strategic body that is not a Regional Board this would be the chair of any relevant committee that may have relevant regional strategic functions delegated to it.

- f) an ability to work collaboratively and creatively to support a collective effort to deliver the regional outcome agreement.
- g) an understanding of the context in which the college operates, namely in terms of education and improving public services
- h) such other skills, knowledge, attributes or experience as the regional strategic body considers relevant in relation to the exercise of the college board's functions.

5.19 The following is also considered desirable:

- a) proven experience of, or capacity in, further and/or higher education
- b) proven experience of, or capacity in, industry, commerce, finance, the Third Sector, local authority or trade union(s)
- c) proven experience, or knowledge, of the locality of the college.

Skills, knowledge, attributes and experience of board members

5.20 College board members should be expected to adhere to the **Principles of Public Life in Scotland** and act at all times in good faith and in the best interests of the learners (see **Annex F**) and should have proven:

- a) an ability to work successfully at a senior level, maintaining and developing excellent corporate governance
- b) an ability to contribute to the development of a vision and strategic direction for the college, and to help guide the delivery of planned outcomes in challenging circumstances
- c) an ability to engage and communicate effectively with a wide range of individuals and organisations
- d) senior level experience in building networks that help achieve shared objectives
- e) an understanding of the context in which the college operates, namely in terms of education and improving public services
- f) such other skills, knowledge, attributes or experience as the regional strategic body considers relevant in relation to the exercise of the college board's functions.

5.21 The following is also considered desirable, proven:

- a) experience of, or capacity in, further and/or higher education
- b) experience of, or capacity in, industry, commerce, finance, the Third Sector, local authority or trade union(s).

Representativeness

5.22 Moreover, a regional strategic body should aim for a college board to have:

- a) a membership which, as far as possible, reflects the make-up of the population which they serve.
- b) a majority of ordinary board members who have proven experience, or knowledge, of the locality of the college.

5.23 As required by the 2005 Act, in exercising its functions to appoint the chair and ordinary members of an assigned incorporated college board, the regional strategic body must do so in a manner which encourages equal opportunities and in particular the observance of the equal opportunities requirements.

Principal of assigned incorporated college board

5.24 A regional strategic body is not to appoint the principal of an assigned incorporated college as the chair of the college board.

Number of board members receiving remuneration

5.25 Neither an assigned incorporated board nor a regional strategic body can remunerate individuals for their role as member of an assigned incorporated college board. However, as it is possible that members of an assigned college may seek to become 'ordinary' board members as private citizens like any other person, the regional strategic body must ensure that less than half of members of a college board receive remuneration from the board. Members receiving remuneration include any salaried members of staff on the board, including the principal; and any sabbatical student members (whether remunerated directly by the college or by the college's students' association).

Open recruitment process

5.26 The regional strategic body must conduct a fair, open and merit-based recruitment process, which includes:

- 1) the chair of the relevant assigned college should usually play a full part in the process for appointment of ordinary board members to that college.
- 2) for any particular appointment or appointments round, the relevant committee should identify an independent person to be part of the process throughout (including development of person specification, assessment criteria and methods as well as involved at the sift and interview) to ensure openness in the appointment round and to instil confidence in it. . They must have

otherwise no connection with the regional strategic body or college (e.g. they must not be a board member, a member of any other committee or an employee, of the regional strategic body or college)¹⁸. However, they must be:

- i. knowledgeable about the college
 - ii. understand the skills, knowledge, experience and attributes required of the person(s) to be appointed
 - iii. have demonstrated sound judgment and decision-making.
- 3) Positions advertised with clear information on the role description, person specification, and assessment criteria and methods. This includes advertising on the Public Appointments website¹⁹.
- 4) Timely information provided to both successful and unsuccessful candidates with an offer of feedback after application sift and interview stages.
- 5) Names of candidates submitted to the relevant committee.

5.27 The **Code of Practice for Ministerial Appointments to Public Bodies in Scotland**²⁰ and accompanying guidance²¹ are helpful reference tools in making appointments. While they are intended for regulated Ministerial public appointments, the principles of and approach set out by the code are relevant to and should underpin college sector board recruitment and appointment.

Extending board member appointments

5.28 Where an appointment has not already been extended, the relevant committee is to consider whether the needs of the college board will be most effectively met by extending an appointment or by making a new appointment.

5.29 In reaching a view, the committee will balance any benefits of continuity provided by an extension with the potential opportunity to increase the range of relevant skills, knowledge, attributes and knowledge on the college board by making a new appointment through open competition. This should, in the case of extension of ordinary board members, include consultation with the chair of the assigned

¹⁸ The same person can be appointed for more than appointment round. However, care should be taken to avoid excessive reliance on the same person or persons, so as to call into doubt their credibility as an independent person.

¹⁹ <http://www.appointed-for-scotland.org/>

²⁰ <http://www.publicappointments.org/publications/publication/222/2013-code-of-practice-for-ministerial-appointments-to-public-bodies-in-scotland>

²¹ <http://www.publicappointments.org/publications/publication/223/guidance-on-the-2013-code-of-practice>

incorporated college to help identify the needs of the college board. Reaching a decision to make a new appointment through open competition would not prevent the person vacating the post from applying for the new appointment.

5.30 Subject to the special arrangements after the completion of a board member's 'migrated' period of office ends (see below), an appointment can be extended (for one single period) only if:

- a) the board member has performed satisfactorily, with evidence of regular assessments of performance to evidence this;
- b) that the board member's skills, knowledge, attributes and experience remain relevant to the anticipated future needs of the board.

Special arrangements after the completion of a board member's 'migrated' period of office ends

5.31 When an incorporated college is first assigned to a regional strategic body in 2014, existing board members will be 'migrated' to the college board. They will serve until the expiry of their current term of office or one year, whichever comes first. This is the "migrated period".

5.32 However, in the interests of board stability, given that regional strategic bodies:

- a) will assume new responsibilities for incorporated college board appointments
- b) be making appointments to a number of colleges;
- c) may in the interests of economy, efficiency and effectiveness, want to advertise for members to college boards at the same time;
- d) may want to appoint a chair of a college ahead of other college board appointments;

the following special arrangements apply for extending the appointment of the chair and ordinary board members at the end of their migrated period²².

5.33 At the end of their migrated period, a regional strategic body may, following the process described in paragraphs 5.28-5.30, extend the appointment of the chair or an ordinary board member, so that the total transitional period (the migrated period when added to any extended period) is no more than two years.

²² Legislation does not enable staff and student member appointments to be extended. So at the end of their appointment, normal processes apply: student members are nominated by the students' association and staff members are elected.

5.34 To illustrate by example:

- an appointment has six months remaining at the point when the college is assigned -
 - the appointment ends after those six months
 - the appointment may then be extended for a period of up to 18 months, so that it ends no more than two years from the date the college was assigned.

- an appointment has 18 months remaining at the point when the college is assigned
 - the appointment ends after 12 months;
 - the appointment may then be extended for a period of up to 12 months, so that it ends no more than two years from the date the college was assigned.

- an appointment has 3 years remaining at the point when the college is assigned
 - the appointment ends after 12 months;
 - the appointment may then be extended for a period of up to 12 months, so that it ends no more than two years from the date the college was assigned.

5.35 When an appointment ends, whether with an extension as set out above or not, the post is to be filled following the open recruitment process described in paragraphs 5.26-5.27.

5.36 It would be open to the person vacating the post to apply for the new appointment. To be clear: if they are subsequently re-appointed, it would be open to the regional strategic body to extend that appointment at the end of the period of the new appointment as described elsewhere in this guidance. These special arrangements to extend only apply to appointments at the end of their migrated period.

Term of board appointments or extensions

5.37 A regional strategic body will determine the length (of up to 4 years) of a board appointment or extension based on needs of the board, having regard to the desirability of avoiding a substantial number of board appointments potentially ending around about the same time.

Administration of appointments process by assigned incorporated college

5.38 In the interests of economy, efficiency and effectiveness, the regional strategic body may wish to delegate to an assigned incorporated college board (with its agreement) the management of all or part of the process for the appointment or extension of a chair or ordinary member.

5.39 In administering any part of the process, the college is to have regard to this guidance as if it were a regional strategic body and to any supplementary guidance which the regional strategic body may wish to give the college.

5.40 It is important to note that the regional strategic body cannot transfer to the college its function of making the appointment. Legislation requires the appointment to be made by the regional strategic body.

5.41 Before making an appointment a regional strategic body is to satisfy itself that the college has had sufficient regard to this guidance and any supplementary guidance it has given the college.

5.42 It will be for the regional strategic body to determine whether it wants the college to present it with a choice of preferred candidates or whether it would be acceptable for the college to recommend an individual person.

5.43 The regional strategic body is not required to accept the recommendation of a college.

Consultation questions

Q11. We should welcome comments on the establishment of a relevant committee to nominate appointments and extensions, including identifying skills etc. of existing board members.

Q12. We should welcome comments on the skills, knowledge and attributes and experience of the college chair (essential and desirable).

Q13. We should welcome comments on the skills, knowledge and attributes and experience of ordinary board members (essential and desirable), including on representativeness.

Q14. We should welcome comments on the open recruitment process, including on arrangements for an independent person.

Q15. We should welcome comments on extending board appointments, including on special arrangements after the migrated period.

Q16. We should welcome comments on any other aspect of the guidance in relation to assigned incorporated college boards.

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6. EQUALITY IMPACT

Consultation questions

Q17. We should welcome comments on whether the matters covered in the guidance raise any equalities issues that require to be addressed with respect to age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

Q18. What actions (beyond the issue of this guidance) should the Scottish Government take to support college sector boards achieve diversity?

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ANNEX A

THE SCOTTISH GOVERNMENT CONSULTATION PROCESS

1. Consultation is an essential and important aspect of the Scottish Government's working methods. Given the wide-ranging areas of work of the Scottish Government, there are many varied types of consultation. However, in general, Scottish Government consultation exercises aim to provide opportunities for all those who wish to express their opinions on a proposed area of work to do so in ways which will inform and enhance that work.

2. The Scottish Government encourages consultation that is thorough, effective and appropriate to the issue under consideration and the nature of the target audience. Consultation exercises take account of a wide range of factors, and no two exercises are likely to be the same. Typically Scottish Government consultations involve a written paper inviting answers to specific questions or more general views about the material presented. Written papers are distributed to organisations and individuals with an interest in the issue, and they are also placed on the Scottish Government web site enabling a wider audience to access the paper and submit their responses.

3. Consultation exercises may also involve seeking views in a number of different ways, such as through public meetings, focus groups or questionnaire exercises. Copies of all the written responses received to a consultation exercise (except those where the individual or organisation requested confidentiality) are placed in the Scottish Government library at Saughton House, Edinburgh (K Spur, Saughton House, Broomhouse Drive, Edinburgh EH11 3XD, telephone 0131 244 4565).

4. All Scottish Government consultation papers and related publications (e.g., analysis of response reports) can be accessed at: Scottish Government consultations <http://www.scotland.gov.uk/consultations>. The views and suggestions detailed in consultation responses are analysed and used as part of the decision making process, along with a range of other available information and evidence. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review;
- inform the development of a particular policy;
- help decisions to be made between alternative policy proposals; and
- be used to finalise legislation before it is implemented.

5. Final decisions on the issues under consideration will also take account of a range of other factors, including other available information and research evidence.

6. While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.

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ANNEX B

CONSULTEES

All FE colleges eligible for Scottish Funding Council funding– principals and chairs
Argyll College – principal and chair
All local authorities – chief executives
University of the Highlands and Islands
All University of the Highlands and Islands academic partners
All college regional leads
All students' associations of FE colleges eligible for SFC funding and Argyll College students' association

Association of Scottish Chambers of Commerce
Capability Scotland
Community Learning and Development Standards Council for Scotland
Close the Gap
Colleges Scotland
Commissioner for Ethical Standards in Public Life in Scotland
Confederation of British Industry Scotland
Convention of Scottish Local Authorities
Education and Culture Committee
Educational Institute of Scotland
Engender
Equality and Human Rights Commission
Equality Challenge Unit
Equality Network
Federation of Small Businesses
GMB
Independent Living
Highlands and Islands Enterprise
Inclusion Scotland
Institute of Directors
Linking Education and Disability Scotland
National Union of Students Scotland
Office of the Scottish Charity Regulator
Scottish Council for Development and Industry
Scottish Council for Voluntary Organisations
Scottish Disability Equality Forum
Scottish Enterprise
Scottish Funding Council
Scottish Trades Union Congress
Scottish Qualifications Authority
Scottish Women's Convention

Scottish Youth Parliament
Sector Skills Alliance Scotland
Skills Development Scotland
Society of Local Authority Chief Executives and Senior Managers
UNISON
Unite the Union
Universities Scotland
Volunteer Development Scotland
Young Enterprise Scotland

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ANNEX C

ROUTES FOR ORDINARY MEMBERS TO CONTINUE ON BOARDS²³

Route 1

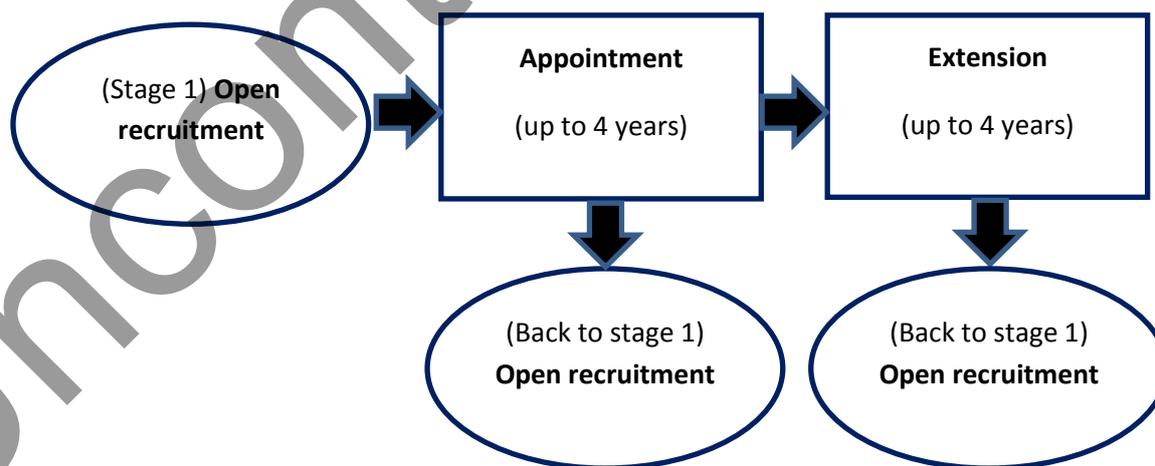
Appointment > Extension > Appointment route

- a) An appointment is made after open recruitment.
- b) Board²⁴ decides to extend appointment. The chair and Ministers have to approve if to a regional college or Regional Board. This would not involve open recruitment.
- c) The extended appointment comes to an end (at a determined point of no more than four years). This creates a board vacancy – further extension is not allowed.
- d) The process therefore begins again at a) - an appointment is made after open recruitment. The same individual could apply for this position.

Route 2

Appointment > Appointment route

- a) An appointment is made after open recruitment.
- b) That appointment is not extended.
- c) If the board member wants to be appointed again, the process would be 'reset'.
- d) In other words the process begins again at a) - an appointment is made after open recruitment. The same individual could apply for this position.



²³ Applies also to the chair of an assigned incorporated college.

²⁴ Or regional strategic body in the case of an assigned incorporated college.

ANNEX D

DISQUALIFICATION FROM MEMBERSHIP OF INCORPORATED COLLEGE BOARDS

PARAGRAPH 5A OF SCHEDULE 2 TO THE 1992 ACT (AS INSERTED BY PARAGRAPH 2(7)(C) OF SCHEDULE TO THE 2013 ACT)

5A(1) A person is not eligible for appointment as a member of the board if the person— .

(a) has within 5 years of the date on which the appointment would take effect, been sentenced (following conviction for an offence in the United Kingdom, the Channel Islands, the Isle of Man or the Irish Republic) to imprisonment for a period of not less than 3 months, whether suspended or not, without the option of a fine; .

(b) is an undischarged bankrupt; or .

(c) has been removed from office under section 24 of this Act (in relation to any college) or section 23Q of the Further and Higher Education (Scotland) Act 2005 (in relation to any regional board). .

(2) For the purposes of sub-paragraph (1)(b), “undischarged bankrupt” means a person— .

(a) whose estate has been sequestrated and who has not been discharged (or against whom a bankruptcy order has been made and is still in force); .

(b) who has granted a trust deed for, or made a composition or arrangement with, creditors (and has not been discharged in respect of it); .

(c) who is the subject of a bankruptcy restrictions order, or an interim bankruptcy restrictions order, made under the Bankruptcy (Scotland) Act 1985 or the Insolvency Act 1986; .

(d) who is the subject of a bankruptcy restrictions undertaking entered into under either of those Acts; .

(e) who has been adjudged bankrupt (and has not been discharged); or .

(f) who is subject to any other kind of order, arrangement or undertaking analogous to those described in paragraphs (a) to (d), anywhere in the world.

ANNEX E

DISQUALIFICATION FROM MEMBERSHIP OF REGIONAL BOARDS

PARAGRAPH 6 OF SCHEDULE 2B TO THE 2005 ACT (AS INSERTED BY SECTION 11(2) OF THE 2013 ACT)

6(1) A person is not eligible for appointment as a member of the board if the person—

(a) has within 5 years of the date on which the appointment would take effect, been sentenced (following conviction for an offence in the United Kingdom, the Channel Islands, the Isle of Man or the Irish Republic) to imprisonment for a period of not less than 3 months, whether suspended or not, without the option of a fine; .

(b) is an undischarged bankrupt; or .

(c) has been removed from office under section 24 of the 1992 Act (in relation to any college) or section 23Q of this Act (in relation to any regional board). .

(2) For the purposes of sub-paragraph (1)(b), “undischarged bankrupt” means a person—

(a) whose estate has been sequestrated and who has not been discharged (or against whom a bankruptcy order has been made and is still in force); .

(b) who has granted a trust deed for, or made a composition or arrangement with, creditors (and has not been discharged in respect of it); .

(c) who is the subject of a bankruptcy restrictions order, or an interim bankruptcy restrictions order, made under the Bankruptcy (Scotland) Act 1985 or the Insolvency Act 1986; .

(d) who is the subject of a bankruptcy restrictions undertaking entered into under either of those Acts; .

(e) who has been adjudged bankrupt (and has not been discharged); or .

(f) who is subject to any other kind of order, arrangement or undertaking analogous to those described in paragraphs (a) to (d), anywhere in the world. .

(3) This paragraph does not apply in relation to persons appointed in pursuance of paragraph 3(2)(b)²⁵.

²⁵ Note: paragraph 3(2)(b) is about the chair of an assigned college.

ANNEX F

PRINCIPLES OF PUBLIC LIFE IN SCOTLAND

Public Service

To have a duty to act in the interests of the public body of which you are a member and in accordance with the core tasks of that body.

Selflessness

To have a duty to take decisions solely in terms of public interest. You must not act in order to gain financial or other material benefit for yourself, family or friends.

Integrity

To not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

Objectivity

To must make decisions solely on merit when carrying out public business.

Accountability and Stewardship

To be accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that the public body uses its resources prudently and in accordance with the law.

Openness

To be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands.

Honesty

You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

To promote and support these principles by leadership and example, to maintain and strengthen the public's trust and confidence in the integrity of the public body and its members in conducting public business.

Respect

To respect fellow members of your public body and employees of the body and the role they play, treating them with courtesy at all times.



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Board of Management

Subject: Student Union Update	Agenda Item: 16
Date: 27 March 2014	FOR DISCUSSION

1. Purpose of Report

To advise the committee about the activities that are currently being undertaken by the Student Union, and look forward to the future activities planned for the current session.

2. Recommendation

It is recommended that members note the contents of this report.

3. Activity Since the Last Committee Meeting

November 2013 saw the latest in the regular series of Student Council meetings across the College campuses. As always, these meetings were well attended by Class Representatives and there was Senior Management representative at each of these meetings to answer any questions students had.

The launch of the Barclays Money Skills Week took place in February. This involved us training 13 volunteer students to be Barclay Champions to take part in activities with students to raise awareness of saving money.

The Student Union promoted and raised awareness of Fairtrade around the campuses by providing students/Class Representatives with knowledge and understanding of the trademark.

The Student Union have been working with Equalities on the LGBT CharterMark submission and have been successful in receiving the LGBT Foundations Charter. We are now working towards Student Services element of the award (LGBT Silver Award).

4. Upcoming Activity

The benefits of students receiving feedback in a formalised format with solutions is recognised by the College as key to showing how Management take learner views seriously. A publication is being developed for distribution to students and this will be copied to Committee Members via email for information.

Following the launch of the Barclays Money Skills Week, Barclays have allocated the College a grant of £4k which will be incorporated into the Student Union budget. This grant will be used to further engage with students and for raising awareness.

5. Risk

Low

Author: Angela Muirhead	SMT: Andrew Lawson
Date: 18 March 2014	Date: 20 March 2014

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Board of Management

Subject: Strategic Dialogue Discussion with SFC	Agenda Item: 17
Date: 27 March 2014	FOR DISCUSSION

1. Purpose of Report

For the Board of Management to note the record of the recent Strategic Dialogue meeting with representatives from the Scottish Funding Council (SFC) Board held at the College on the 24 February 2014.

2. Recommendation

The Board of Management note the report and supporting comments from other Board members who attended the meeting.

3. Background

Representatives of the Scottish Funding Council (SFC) Board and senior officers undertake Strategic Dialogue discussions with College management, staff and students historically on a three yearly cycle. The purpose is for SFC Board members to visit and experience college life whilst having the opportunity for a two way strategic dialogue on topics chosen by both SFC and the College.

For the meeting on the 24 February 2014, we were delighted to be the first College to welcome the new Chairman of SFC, Professor Alice Brown, the Vice Chairman Paul McKelvie, Board member and Principal for West of Scotland, Audrey Cumberland, Jon Gray, Head of Strategic Performance and Andrew Youngston, Outcome Manager for Forth Valley College. Attending for Forth Valley College were Hugh Hall, Regional Chair, Anne Mearns, Vice Chair and Ken Richardson. SMT were present for the morning session.

The meeting lasted from 10.00am to 2.00pm with the SFC Group meeting with SMT and Board members in the morning for discussion within the areas of (1) a new Strategic Plan and vision for Making Learning Work; (2) Employer Engagement and (3) implementing our Learner Strategy. In the afternoon, the group met separately with staff and students before feeding back to the Principal and Chair of the Board at the end of the meeting.

4. Key Considerations

Professor Alice Brown and SFC officers were early for the meeting so an opportunity to tour the Falkirk facilities was not missed. The investment in science and engineering particularly for the OGAS facilities and historically for life sciences together with the clear strategy for locating all college personnel onto the Falkirk site in order to vacate and eventually demolish Middlefield as the potential brown field site for a new Falkirk estate was noted.

In the morning the programme was divided into three clear discussion areas and SMT colleagues gave brief overviews of the three strategic themes noted above. The SFC group were very interested in the college's and the Board's journey through merger to "Making Learning Work" and taking "a great college to even better". The strategic implementation of a regional curriculum strategic for a four campus approach was discussed and welcomed. The impact the new campuses had made in both Stirling and Alloa through their unique positioning, their engagement with Community Planning and school activity was noted. Our new National Centres in FM, Stonemasonry, Oil and Gas training and Electrical Transmission Training was also highlighted particularly in relation to employer engagement. We also used the opportunity to highlight our new Learning Strategy, Empowering Learners, and the launch of the SCOTS programme, an innovative school college partnership with Falkirk Council.

In the afternoon SFC met separately with 15 staff and thereafter with a selection of full time and part time students and Modern Apprentices.

The feedback in the afternoon from Professor Alice Brown, the new Chairman of SFC, Paul McKelvie, the Vice Chair, and Audrey Cumberford, Board member was very positive. They noted the encouraging fact that what had been said in the morning had "resonated" with both staff and student groups. They were most impressed by the engaging nature of our conversation and by the staff and student comments specifically relating to staff development, employer recognition and we being a "forward thinking" college. They also noted and recognised that one of the problems from the staff for the future would be an inability to fulfil ambition with the existing Falkirk facility. SFC were particularly encouraged by staff awareness of outcome agreements and the fact the agreement gave "status" to the college. Feedback from students was again positive with comments such as "being listened to, valued and respected", "how I've been able to identify my career path" and "giving me a real drive to succeed" being noted. Students also made unprompted reference to student services and our front line staff as being outstanding.

Professor Alice Brown has written to the College to thank us for a successful visit. A copy of this letter is attached.

5. Risk Low

SMT and the Board of Management used the SFC strategic dialogue discussions to showcase positive and innovative aspects of the college, our ambitions for the future including a new Falkirk estate and the very positive relationships between students, staff, SMT and the Board. This was a very successful meeting particularly for the new Chair of SFC (as noted after the event through our Outcome Agreement Manager). Taking a more confrontational approach, as has happened with other organisations, would have been a high risk strategy given the efforts that have been made over the last 9 months in working with SFC.

Author: Ken Thomson	SMT: Ken Thomson
Date: 19 March 2014	Date: 19 March 2014



Scottish Funding Council

Promoting further and higher education

Comhairle Maoineachaidh na h-Alba

A' brosnachadh foghlam adhartach agus àrd-ìre

Our ref: 242423544

Dr. Ken Thomson
Principal
Forth Valley College
Grangemouth Road
Falkirk FK2 9AD



19 MAR 2014

RECEIVED PRINCIPAL

18 March 2014

Forth Valley College SDM: 21 February 2014

I wanted to thank you, your team and your students formally for taking part in the recent strategic dialogue meeting.

I found the day to be most informative and positive. I was very pleased to hear about the College's journey since the merger and your plans for the next few years. As perhaps the first regional college, it was particularly interesting to learn more about how you mapped and managed your provision across your three estates and developed your strong relationships with the local authorities and employers.

I believe a note of the discussions will follow shortly from Andrew, and I am aware Jon Gray will meet with you soon to carry on the strategic discussion.

I promised to give you the name and contact details for Professor Chris West, Chief Executive of Edinburgh Zoo. His PA's email is: gwishart@rzss.org.uk.

I hope this is helpful.

Professor Alice Brown
Chair

cc Hugh Hall, Chair