This briefing outlines recent changes in the organisation and governance of Scotland’s colleges. Specific attention is given to the development of college regions and the legislative underpinning to the new governance arrangements for regional colleges as set out within the Post-16 Education (Scotland) Act 2013. There is also information provided on the move to regional outcome agreements as the mechanism for funding Scotland’s colleges.
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EXECUTIVE SUMMARY

Until the legislative reforms that began in 2011, colleges in Scotland had not been subject to significant legislative change since 1992. Under the Further and Higher Education (Scotland) Act 1992 (“the 1992 Act”) most colleges transferred from being managed by the relevant local authority to establishing their own individual corporate body with a ‘board of management' overseeing the governance of the college. The boards of management of these ‘incorporated colleges’ took over responsibility for the strategic and financial management of the college. At the same time, the 1992 Act also gave Ministers the power to establish, merge or close incorporated colleges. Ministers also gained powers to remove board members of incorporated colleges in cases of mismanagement (s.24).

In September 2011, the Scottish Government published its pre-legislative document: Putting Learners at the Centre: Delivering our ambitions for post-16 education (Scottish Government, 2011). This, along with a separate consultation led by the SFC and the Scottish Government on the implementation of college regionalisation, was concerned to develop regional college provision to reduce duplication and increase efficiency through larger colleges. The focus was on improving skills and ensuring that the needs of both learners and employers are delivered at the regional level through partnerships between colleges, universities, employers, local authorities, Skills Development Scotland and other community planning partners (SFC and Scottish Government, 2011).

In June 2011, in a statement in the Scottish Parliament, the Cabinet Secretary for Education and Lifelong Learning, Michael Russell, announced a review of college governance, to be chaired by Professor Russell Griggs. The Report of the Review of Further Education Governance in Scotland (Griggs, 2012) was published in January 2012. The Griggs review noted that, while innovation had occurred with the incorporation of colleges in 1993, this move had also brought greater “individualisation of colleges” along with significant diversity and inequality in the way individual colleges were operating and the outcomes achieved. Regional provision was argued to address these inequalities in provision and outcomes, while also maintaining links with the communities served by local colleges. The Griggs review identified regional colleges as offering greater potential for policy to be managed nationally, where appropriate. The recommendation was for a small number of regional colleges, each with a single regional board with the power and control to receive public funding and decide how to manage the resources it has at its disposal. Within each region (with the exception of the Highlands and Islands) the recommendation was that there should be only one college.

Reinvigorating College Governance: The Scottish Government Response to the Report of the Review of Further Education Governance in Scotland (Scottish Government, 2012) set out the Scottish Government's plans for college regionalisation. It accepted the Griggs review recommendations, although a larger number of regions was proposed to meet the needs of different communities in urban and rural areas of Scotland. The Scottish Government also accepted that a small number of regions would operate with more than one college.
College mergers were already starting to take place when the Scottish Government took steps to regionalise college provision. These college mergers have been, or will be, taken forward using existing powers set out within the 1992 Act.

Much of the proposed change in the governance of regional colleges requires new legislation. The Post-16 Education (Scotland) Act 2013 (“the 2013 Act”) extends powers set out in the 1992 Act and the Further and Higher Education (Scotland) Act 2005 (“the 2005 Act”) to offer the legislative underpinning required to progress all aspects of the current plans for the governance and operation of colleges within a regional context.

The 2013 Act was passed on 26 June 2013, and received Royal Assent on 7 August 2013. Almost all of the Act’s provisions still have to be commenced and the legislative changes won’t take ‘practical effect’ until colleges are either designated as regional or assigned to their regional strategic body. As such, this briefing sets out the anticipated position once the college regionalisation provisions in the Act are commenced and the necessary orders are made.

A number of the provisions in the Act set out to establish the arrangements for regional level governance and delivery of college provision. Two types of regional college are created through the Act: single college regions and multi-college regions. The role of regional colleges (single college regions) and regional strategic bodies (multi-college regions) is to plan college provision strategically across the region and to be held accountable for the delivery of regional outcomes. In single college regions, the regional college is responsible both for strategic planning and delivery of college provision. In multi-college regions, there is a separation of the strategic role and delivery role between the regional strategic body and its assigned colleges respectively.

The 2013 Act sets out provisions regarding how college boards should operate. Annexe 1 provides an overview of the main provisions regarding the governance and operation of college boards in regional colleges (single college regions) as well as regional strategic bodies and the assigned colleges operating within them (multi-college regions). It offers an overview of the board size, composition, duties, powers, and conditions under which members can be removed. It also shows the arrangements in place for incorporated college boards prior to the 2013 Act.

The allocation of funding under this regional model places more focus on the needs of the region, which are defined by the socio-economic characteristics of the area and its learners. Outcome agreements are the means by which the SFC now link funding for colleges (and universities) to a reciprocal arrangement for colleges to deliver national priorities. The SFC and Scottish Government consultation on implementation of regional college provision has stated that: “this approach represents a fundamental shift from historically-based to needs-based funding; from individual colleges to regional groupings; and from activity to outcomes” (SFC and Scottish Government, 2011; p.1). Used as a mechanism for accountability, outcome agreements should set out the contribution the college will make to the Scottish Government’s strategic aims of: improving life chances; jobs and growth; and sustainability of the sector (SFC and Scottish Government, 2011). While each region will have its own priorities based on identified need, there are priority themes each region is required to address. These include ensuring efficient and sustainable regional structures, high quality learning provision and developing the workforce. In addition, there is a specific focus on delivery of the Opportunities for All guarantee for 16-19 year olds and provision of learning to young people aged under 24 years.
BACKGROUND

Until the legislative reforms that began in 2011, colleges in Scotland had not been subject to significant legislative change since 1992. Under the Further and Higher Education (Scotland) Act 1992 (“the 1992 Act”) most colleges\(^1\) transferred from being managed by the relevant local authority to establishing their own individual corporate body with a ‘board of management’ overseeing the governance of the college. The boards of management of these ‘incorporated colleges’ took over responsibility for the strategic and financial management of the college. At the same time, the 1992 Act also gave Ministers the power to establish, merge or close incorporated colleges. Ministers also gained powers to remove board members of incorporated colleges in cases of mismanagement (s.24).

The majority of funding to publicly funded colleges in Scotland comes from the Scottish Further and Higher Education Funding Council (SFC) via a budget allocated by the Scottish Government. The SFC was established in 2005 to replace the previous separate funding bodies for colleges and universities. As well as allocating funding to colleges and universities, other provisions in the Further and Higher Education (Scotland) Act 2005 (“the 2005 Act”) include a duty to review whether publicly funded further and higher education learning providers in Scotland have suitable governance and management provisions, a complaints system and provision for a post that has responsibilities similar to an accountable officer.

The SFC is also entitled to address meetings of governing bodies of publicly funded further and higher education learning providers, particularly where there are concerns about matters relating to the funding received from the SFC. It also has a role to advise Scottish Ministers about further and higher education in Scotland. The 2005 Act also states that the SFC must, in exercising its duties, take account of a range of wider social and economic considerations when performing its role. This includes: economic and skills needs in Scotland; social and cultural issues in Scotland; the UK and international context; sustainable development; and the education and support needs of current and prospective students.

POLICY CONTEXT

In the period between 1993 and 2011, there were two phases of policy focused on colleges. The first was pursued in the first decade after colleges were incorporated, when the priority was to achieve financial stability and improve college governance (Kidner, 2011). The second phase emerged with the commissioning of a major review of college provision, which published its results in 2006 (Scottish Government, 2006). The review included 83 recommendations for colleges covering the following subjects: staffing; learners and the learning environment; the difference that colleges make; accountability and governance; and the strategic future of colleges. In its formal response to the review, the Scottish Government set out actions that organisations should take to address the review’s recommendations (Scottish Government, 2007).

\(^1\) As well as a number of incorporated colleges, there are also five non-incorporated colleges that are directly funded by the SFC for the provision of education: Orkney College and Shetland College (these two local authority run colleges did not incorporate in 1993); Sabhal Mor Ostaig (the Gaelic college on Skye); Newbattle Abbey College (an adult residential college in Dalkeith); and West Highland College.
Other policy measures were also pursued during this period, including: significant investment in the college estate; action to ensure colleges maintain their charitable status; and activity to continue development of school college partnerships (Kidner, 2011). Over this period, there was also been a focus on the role played by colleges in delivery of the Scottish Government’s skills agenda. The 2007 skills strategy (Scottish Government, 2007a) and the 2010 refreshed skills strategy (Scottish Government, 2010) highlighted the role colleges should play in meeting skills needs, and providing a positive response to the economic downturn and resultant high unemployment in some areas of Scotland. A key focus in the skills agenda pursued by the Scottish Government was to improve knowledge flow between colleges and business.

This theme continued in a review of post-16 education and vocational training chaired by Willy Roe and published in August 2011 (Roe, 2011). The Roe review noted the importance of engaging employers in the education and training systems in place in Scotland “to help shape its future”. The Roe review also noted that engagement to date had been too heavily focused on the national level, with more attention needed to engage employers and work collaboratively at a regional and sectoral level, as well as through local employer engagement with schools, colleges and other training and employability providers.

The Roe review proposed that post-16 education and vocational training should be “learner centred”. Twelve principles were proposed to achieve this. These including the system: being easy to understand; offering excellent insights into, and access to, the world of work; operating in a transparent and accountable environment; being performance driven (notably focused on outcomes and impacts); and being responsive to the diversity of opportunities and needs across all parts of Scotland. These principles were highlighted as the means by which colleges could be made more effective learning environments that can respond to the needs of the Scottish economy. Effective engagement and collaboration between business and learning providers at the regional and local level was highlighted as critical to the implementation of these principles.

DEVELOPING REGIONAL PROVISION

The themes of efficiency and improvement in governance and delivery that had been raised in various reviews of colleges clearly informed the SNP’s 2011 Scottish Parliament election manifesto, which proposed bringing forward a green paper to explore options for the college sector to “minimise bureaucracy and increase flexibility” (SNP, 2011).

Soon after the 2011 Scottish Parliament elections, in a statement in the Scottish Parliament on 29 June 2011, the Cabinet Secretary for Education and Lifelong Learning, Michael Russell, announced a review of college governance, to be chaired by Professor Russell Griggs (discussed in the next section). In his statement (Scottish Parliament, 2011), Mr Russell reiterated his concern with efficiency and improvement in Scotland’s colleges:

“…there will be tough choices. We need to be much clearer about the provision on offer – both in the extent to which it is duplicated, and the degree to which it helps people secure positive outcomes when their learning is complete.”

2 Willy Roe, CBE is former Chair of Skills Development Scotland
In September 2011, before the Griggs review had reported, the Scottish Government published its pre-legislative document: *Putting Learners at the Centre: Delivering our ambitions for post-16 education* (Scottish Government, 2011). In this, college regionalisation was proposed as the mechanism to create the required economic efficiencies:

“Work by the SFC shows there is too much duplication and unnecessary competition within colleges and regional universities. Very often different colleges and universities are competing for the same students and similar programmes are being run by institutions within a few miles of each other. Moreover, evidence from recent mergers shows money can be saved and service to students sustained and improved by the creation of larger efficient colleges” (Scottish Government, 2011)

A separate consultation focused on the implementation of college regionalisation was published soon after (SFC and Scottish Government, 2011). This consultation stated that colleges operating at the regional level should act:

“strategically to improve skills in their area and across Scotland as a whole: identifying the needs of the learners and employers in their region; planning provision with partners (for example, employers, universities, local authorities, Skills Development Scotland and other community planning partners; and allocating resources across their region for delivery of high quality learning” (SFC and Scottish Government, 2011).

The consultation noted a number of advantages associated with regional college provision. First, whereas in some places planning of college provision was fragmented, it was argued that colleges operating regionally have the advantage of scale, being able to plan regionally and deliver locally across a wider geography. This, it was argued, creates opportunities for greater cost-effectiveness through, for example, sharing of services. Second, regional college provision was thought to enhance the capability to plan and deliver part-time learning across the region, particularly for adults in employment. Third, regional colleges were thought to offer a stronger basis upon which to develop provision for employers. Alongside this, colleges’ role as important partners in regional networks was thought to have the potential to be strengthened, as would potential for joint working between schools, colleges and universities, to ensure coherent provision and improve articulation between colleges and universities (SFC and Scottish Government, 2011).

The consultation recognised that in some regions of Scotland there were already major campuses covering significant areas. However, in other areas, regionalisation may require steps to be taken to ensure adequate provision within the new regional context. In response to the consultation, a number of stakeholders raised concerns about the regional focus. In particular, there were a number of respondents who raised concerns about the implications for local college provision, in particular the impact that regionalisation would have on local communities who would find travelling to campuses some miles away challenging for a range of reasons (e.g. cost or public transport accessibility).

While the majority of those responding to the consultation recognised that the proposal for regionalisation offered opportunities to improve college performance, concerns were raised about the timing of the proposal and the funding implications underpinning it. For example, the EIS raised two issues regarding timing (EIS, 2011). The first was that the consultation coming before the Griggs review published its results, meant being asked to comment on an approach
to college provision that would be more clearly laid out after the Griggs review was published. The second was that the timetable proposed for phasing in reforms “rushes the process”. There was a view that mergers happening so quickly would mean that “the resulting changes will not be ‘owned’ by everyone. The changes will be seen as imposed, rather than a partnership travelling in the same direction”. There was a perceived risk of alienating stakeholders and destabilising relationships if all relevant parties were not fully and positively engaged in the process of change. Regarding funding, Unison’s (2011) response to the consultation stated:

UNISON is concerned that proposals for college regionalisation are not based on putting the learner first but are instead driven by the substantial cuts in further education budgets... We believe that regionalisation could make a difficult situation worse. Aside from concerns about the narrowing of opportunities for students to study in their local areas our key concern is that many of the roles undertaken by our members will be moved into a “big shed” type delivery model. Shared services are still the default option for improved public service delivery despite the lack of evidence that they improve public services or make substantial savings.

The consultation proposed that college regions should be large enough to be efficient, while recognising existing geographical, administrative and planning boundaries. It also recognised that there were parameters around how far students were able to travel, and advantages in them existing relationships that had formed between colleges in an identifiable geography. With those points in mind, the consultation document proposed that colleges should merge to form twelve regions.

GRIGGS REVIEW

The Report of the Review of Further Education Governance in Scotland (Griggs, 2012) was published in January 2012. This review was commissioned by the Scottish Government to explore how the college sector as a whole should be managed and how colleges should be governed. It was also to answer the question of what a move to a regional model of college provision would mean in terms of outcomes for colleges. In its findings, the Griggs review stated that, while innovation had occurred with the incorporation of colleges in 1993, this move had also brought greater “individualisation of colleges”. The review also suggested that in practice there was significant diversity and “many inequalities” in the way individual colleges were operating, as well as in the outcomes being achieved. For example, diversity was noted in relation to:

- Reserves – significant reserves had built up in some colleges, but not in all. This was thought to be less about the effectiveness of management standards and more about the employment and geographical environment within which the college operated.
- Attainment and retention – because of the approach to student selection, different colleges had achieved different results.
- Selection of students – related to above, some colleges had a diverse student body, while others selected those most likely to attain.

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3 A thirteenth region (West Lothian) was later added.
Salaries and conditions – each college had its own staff terms and conditions, leading to differentials in industrial relations and pay negotiations between different colleges.

Governance - Boards of individual colleges had different views of their function and role in relation to the Principal and executive of the college.

The review explicitly considered these differences between colleges as leading to inequalities in the operation of, and outcomes achieved by, colleges:

“The majority of [these inequalities] we do not believe add value to the learner across Scotland or provide a consistent national approach in areas where perhaps that is desirable. Focus has remained, for the colleges, on their own geography without any real focus on what is best for the learners across Scotland.”

Regional provision was argued to address the perceived inequalities between colleges by offering greater opportunities for cohesion and consistency within the sector, while also maintaining links with the communities served by local colleges. A regional structure was also recognised as offering greater potential for policy to be managed nationally, where appropriate. While it was acknowledged that there are different ways to organise college mergers, the recommendation was that there should be a limited number of regions, each with a single regional board with the power and control to both receive public funding and decide how to manage the resources it has at its disposal. As such, the recommendation was that each region - with the exception of the Highlands and Islands - should have only one college.

Reinvigorating College Governance: The Scottish Government Response to the Report of the Review of Further Education Governance in Scotland (Scottish Government, 2012), published on 8 June 2012, set out the key features of the Scottish Government’s plans for a new regional structure for colleges, while specifically responding to the recommendations in the Griggs review. The Scottish Government set out its aim that every region should have a single body that would:

- Enter into a regional outcome agreement with the SFC and decide how funding should be distributed and efficiencies secured.
- Plan college provision strategically across the region.
- Provide a focal point for engagement with regional partners.
- Be held to account by the SFC for delivering agreed regional outcome agreements.

While these points aligned with recommendations set out in the Griggs review, one recommendation that was only partially accepted was for each region to only have one college. The Cabinet Secretary for Education and Lifelong Learning, in his introduction to the Scottish Government response to the Griggs review, noted:

“Professor Griggs based his report on the premise that every region (other than Highlands and Islands) would have one college. Where possible, that is what I want to see. However, I believe firmly that it is a matter for colleges to come together on their own volition in the best interests of learners.” (Scottish Government, 2012; 1).
The result is that the legislative underpinning to college regionalisation maintains the plans for there to be thirteen regions. However, the legislation allows that, in a small number of regions, there could be more than one college operating, each with its own board of management.

**COLLEGE REGIONS**

Table 1 shows progress towards college regionalisation at September 2013. The first merger took place in 2010 (creating City of Glasgow College) and the next in October 2012 (creating Edinburgh College). The majority of mergers either took place in August 2013 or are due to have taken place on 1 November 2013.

**Table 1: College regionalisation, with completed and planned mergers**

<table>
<thead>
<tr>
<th>Region</th>
<th>Colleges</th>
<th>Date of merger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aberdeen and Aberdeenshire</td>
<td><strong>North East Scotland College</strong>&lt;br&gt;Aberdeen College&lt;br&gt;Banff and Buchan College</td>
<td>November 2013</td>
</tr>
<tr>
<td>Ayrshire</td>
<td><strong>Ayrshire College</strong>&lt;br&gt;Ayr College&lt;br&gt;James Watt College (Ayrshire)&lt;br&gt;Kilmarnock College</td>
<td>August 2013</td>
</tr>
<tr>
<td>Borders</td>
<td>Borders College</td>
<td>N/A</td>
</tr>
<tr>
<td>Forth Valley</td>
<td>Forth Valley College</td>
<td>N/A</td>
</tr>
<tr>
<td>Dumfries and Galloway</td>
<td>Dumfries and Galloway College</td>
<td>N/A</td>
</tr>
<tr>
<td>Edinburgh and Lothians</td>
<td><strong>Edinburgh College</strong>&lt;br&gt;Stevenson College&lt;br&gt;Telford College&lt;br&gt;Jewel and Esk College</td>
<td>October 2012</td>
</tr>
<tr>
<td>Fife</td>
<td><strong>Fife College</strong>&lt;br&gt;Adam Smith College&lt;br&gt;Carnegie College</td>
<td>August 2013</td>
</tr>
<tr>
<td>Glasgow (multi-college region)</td>
<td><strong>City of Glasgow College</strong>&lt;br&gt;Central College Glasgow&lt;br&gt;Glasgow College of Nautical Studies&lt;br&gt;Glasgow Metropolitan College</td>
<td>September 2010</td>
</tr>
<tr>
<td></td>
<td><strong>Glasgow Clyde College</strong>&lt;br&gt;Anniesland College&lt;br&gt;Cardonald College&lt;br&gt;Langside College</td>
<td>August 2013</td>
</tr>
<tr>
<td></td>
<td><strong>Glasgow Kelvin College</strong>&lt;br&gt;John Wheatley College&lt;br&gt;North Glasgow College&lt;br&gt;Stow college</td>
<td>November 2013</td>
</tr>
</tbody>
</table>

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4 The full list of colleges (31 colleges at Aug 2013) that receive funding from the SFC can be accessed via [this link](#).
5 Oatridge College, Barony College and Elmwood College merged with the Scottish Agricultural College to form **SRUC** (Scotland’s Rural College). SRUC is classified as a higher education institution.
6 Newbattle Abbey College also receives funding from the SFC, but is not linked to any regional college.
7 Where there is no date of merger noted in this table, this either means there is no merger planned or there are not multiple colleges in the region that require to merge to form a regional college.
During this period, while mergers are on-going and new regional boards are being established, the Scottish Government has put transitional arrangements in place involving the appointment of temporary regional leads who are overseeing the move to regional college provision. These transitional regional leads will be in post until new regional chairs can be appointed. All regional leads should be appointed by May 2014 (Audit Scotland, 2013).

An article in the Times Educational Supplement for Scotland (Belgutay, 2012) on 20 June 2012 suggested significant ministerial control over the process of college regionalisation, pointing to the role played by Scottish Ministers in the selection of regional leads in place during the period of transition. The article questions the objectivity of these transitional regional leads given their longstanding relationship with the sector. Belgutay (2012) suggests that the important role regional leads are playing in college reform gives Scottish Ministers significant influence over the direction this takes. However, both Professor Griggs and the Cabinet Secretary for Education and Lifelong Learning are of the view that the wide ranging role played by regional leads is vital to ensure a level of accountability in the sector that was previously lacking (Liddell and Macpherson, 2013).

Audit Scotland (2012) similarly highlight the significant role being performed by regional leads during this period of change. Audit Scotland endorse this approach, stating that this role is required to provide a necessary link between the Scottish Government and the range of regional stakeholders:

The new regional leads, working with existing college boards, have an important role in providing leadership in the merger of colleges and the establishment of federations, and in supporting complex change management. Equally, college leaders will need to ensure

<table>
<thead>
<tr>
<th>Region</th>
<th>College Name</th>
<th>Proposed Name</th>
<th>Date</th>
</tr>
</thead>
</table>
| Highlands and Islands (multi-college region) | Inverness College UHI  
Lews Castle College UHI  
Moray College UHI  
North Highland College UHI  
Orkney College UHI  
Perth College UHI  
Sabhal Mòr Ostaig UHI  
Shetland College UHI  
West Highland College UHI |               |            |
| Lanarkshire (multi-college region) | New College Lanarkshire*  
Cumbernauld College  
Motherwell College | November 2013 |            |
|                                 | Coatbridge College to merge with New College Lanarkshire at a later date | April 2014    |            |
|                                 | South Lanarkshire College                     |               |            |
| Tayside                         | Dundee and Angus College*  
Angus College  
Dundee College                 | November 2013 |            |
| West                            | West College Scotland  
Clydebank College  
James Watt College (Inverclyde)  
Reid Kerr College             | August 2013   |            |
| West Lothian                    | West Lothian College                          | N/A           |            |

* Proposed name
that their strategies for course provision reflect both the Scottish Government’s priorities, including the education and learning outcomes it expects, and demands from learners and employers in their region.

POST-16 EDUCATION (SCOTLAND) ACT 2013

As Table 1 highlighted, college mergers were already starting to take place when the Scottish Government began the current process to regionalise college provision. These college mergers have been, or will be, taken forward using existing powers set out within 1992 Act.

Much of the proposed change in the governance of regional colleges requires new legislation. The Post-16 Education (Scotland) Act 2013 (“the 2013 Act”) extends powers set out in the 1992 Act and the 2005 Act to offer the legislative underpinning required to progress all aspects of the current plans for the governance and operation of colleges within a regional context.

The 2013 Act was passed on 26 June 2013, and received Royal Assent on 7 August 2013. Almost all of the Act’s provisions still have to be commenced and the legislative changes won’t take ‘practical effect’ until colleges are either designated as regional or assigned to their regional strategic body. As such, information about the provisions in the 2013 Act that are provided in this briefing offer a description of the anticipated position once the college regionalisation provisions in the Act are commenced and the necessary orders are made.

Two types of regional college are to be created by the 2013 Act (see also Annexe 2):

- Single college regions – where there is one college for the region. These colleges are referred to as “regional colleges”.

- Multi-college regions – where more than one college exists within the region. There will be three multi-college regions: Glasgow; Lanarkshire; and Highlands and Islands. Colleges in these regions will be ‘assigned’ to a regional strategic body. There are two types of regional strategic body. The first type is a “regional board”. The second type is referred to as an ‘other’ regional strategic body.

A “regional board” is a regional strategic body of a type that has its constitution set out in the 2005 Act. The 2013 Act makes provision for the establishment of regional boards in Glasgow and Lanarkshire (multi-college regions). The 2013 Act also makes provision for the University of the Highlands and Islands (UHI) to be designated as an ‘other’ regional strategic body.

The role of regional colleges (single college regions) and regional strategic bodies (multi-college regions) is to plan college provision strategically across the region and to be held accountable for the delivery of regional outcomes. In single college regions, the regional college is responsible both for strategic planning and delivery of college provision. In multi-college regions, there is a separation of the strategic role and delivery role between the regional strategic body and its assigned colleges respectively.

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8 A Scottish Government consultation is currently open on the designation of colleges as regional colleges and assigning colleges to regional strategic bodies. The consultation is issued as part of the relevant provisions set out in the 2005 Act, as amended by the 2013 Act.

9 An ‘other’ regional strategic body is a fundable post-16 education body ‘designated’ as a regional strategic body. A fundable post-16 education body is a college or university generally eligible for funding from the SFC.
A great deal of the deliberation around college regionalisation that occurred while the Post-16 Education (Scotland) Bill was being debated in the Scottish Parliament focused on the role and constitution of regional strategic bodies in multi-college regions. This arrangement represented to stakeholders not only a new approach to college governance, but also a much more complex set of governance arrangements. A summary of the main themes emerging from debate during stage one of the passage of the Bill can be found in the Education Committee’s stage one report (Scottish Parliament, 2013). There is also discussion of the main themes and amendments discussed during stages one and two of the passage of the Bill in the SPICe briefing: *Post-16 Education (Scotland) Bill – Stage 3* (Macpherson, 2013).

The 2013 Act sets out provisions regarding how college boards should operate. Annexe 1 provides an overview of the main provisions regarding the governance and operation of college boards in regional colleges (single college regions) as well as regional strategic bodies and the assigned colleges operating within them (multi-college regions). It offers an overview of the board size, composition, duties, powers, and conditions under which members can be removed. It also shows the arrangements in place for incorporated college boards prior to the 2013 Act.

Under the provisions set out in the 2013 Act, regional colleges / regional strategic bodies will be required as part of their funding allocation from the SFC to:

- Enter into an outcome agreement with the SFC (see next section for more about this).
- Decide how funding for the region is distributed\(^{10}\) and how efficiencies should be secured.
- Plan college provision strategically across the region.
- Provide a focal point for engagement with regional partners.
- Be held to account by the SFC for delivering outcome agreements.

In addition, in multi-college regions, the regional strategic body will be required to:

- Determine with individual colleges their respective contribution to delivering the regional outcome agreement.
- Hold individual colleges to account for their contribution to delivering the regional outcome agreement.

Particularly noteworthy is the funding arrangements planned for multi-college regions. Under current arrangements, each college receives from the SFC an annual allocation of funding for teaching, student support, capital projects and any other strategic activities being pursued. The plan is that, in single college regions, the regional college will be allocated funding from the SFC for strategic planning and delivery of college education in the region. The regional college will allocate funding to specific activity based on agreement with the SFC on the strategic priorities for the region.

\(^{10}\) For a regional college this means the internal allocation of resources within the college.
In the new multi-college regions, including Highlands and Islands, the regional strategic body will work with the SFC to agree the strategic priorities for the area, and will receive the region’s funding allocation from the SFC. The regional strategic body is then charged with taking responsibility for allocating funding to the assigned colleges to meet the strategic priorities for the region. This means that the SFC would not have a direct link to the activities and priorities of assigned colleges, nor would assigned colleges have a direct relationship with the SFC in negotiating priorities and funding allocations. The regional strategic body, under this arrangement, would take on some of the responsibilities and activities that are currently held by the SFC. This includes agreeing the contribution that the assigned colleges make to the delivery of regional outcome agreements.

REGIONAL OUTCOME AGREEMENTS

The consultation on the implementation of college regionalisation (SFC and Scottish Government, 2011) paid particular attention to refocusing of post-16 educational provision at a regional level to align it more with both employers and learners needs. It proposed changes both to the way that colleges were organised but also how they were funded and to taking steps to ensure that funding was delivering positive outcomes. It specifically noted that the shift to regional colleges should result in:

- more focus on outcomes;
- planning, funding and delivery that responds to the economic needs of the region; and
- a funding model that is simpler and more needs-based.

The allocation of funding under this regional model means more focus on the needs of the region, which are defined by the socio-economic characteristics of the area and its learners. Outcome agreements are the means by which the SFC now links funding for colleges to a reciprocal arrangement for colleges to deliver national priorities. The SFC has stated that: “this approach represents a fundamental shift from historically-based to needs-based funding; from individual colleges to regional groupings; and from activity to outcomes” (SFC and Scottish Government, 2011; p.1).

The Scottish Government and the SFC see outcome agreements as the mechanism through which to reflect the return expected from financial investment in the sector. Used as a mechanism for accountability, outcome agreements are intended to ensure that colleges play a positive role in meeting regional needs. Outcome agreements should also set out the contribution the college will make to the Scottish Government’s strategic aims of: improving life chances; jobs and growth; and sustainability of the sector (SFC and Scottish Government, 2011).

While each regional outcome agreement includes its own priorities based on recognised regional needs, there are a number of priority themes that each region will be required to address through the regional outcome agreement. These include: efficient and sustainable regional structures; high quality learning; and a developed workforce.

In all regions, colleges are also expected to articulate how they will:

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11 University of Highlands and Islands is the regional strategic body for Highlands and Islands
• contribute to delivery of the *Opportunities for All* guarantee for 16-19 year olds;
• develop plans for delivery of learning to those aged under 24 year olds;
• maintain local provision in a regional context;
• make provision for students with additional learning needs; and
• take steps to widen access to college learning among those identified as being under-represented in college provision in the region.

Although regional outcome agreements are not a statutory requirement, so not included in the provisions within the 2013 Act, debate on the introduction of statutory widening access agreements during the passage of the 2013 Act raised questions on the potential risk that any agreed outcomes set would be intentionally under-ambitious so as not to risk failure (Scottish Parliament, 2013). The Cabinet Secretary for Education and Lifelong Learning, Michael Russell, in a letter to the SFC on 25 January 2012 (Russell, 2012), alludes to this risk in stating:

…I would ask you to work with the sector, on a regional basis, to develop firm plans for deploying [resources to colleges] in line with Government priorities, with a view to finalising outcomes agreements with each region no later than the start of next academic year. These outcome agreements should be tailored to the differing needs of regions, and **should set realistic but challenging targets** on both restructuring and delivery.

(emphasis added)

The first college outcome agreements were published in 2012/13, with revised outcome agreements published for 2013/14. A summary of the 2012/13 college outcome agreements produced by the SFC (2012) reported that college regions would be delivering 2.1 million WSUMs that academic year. Across the college sector, 70 million hours of learning were to be delivered, with 70 per cent of the activity secured through regional outcome agreements to be directed at young people aged between 16 and 24 years. These priorities are in line with meeting the Scottish Government’s policy priority of enhancing opportunities for education and training for young people.

The summary of college outcome agreements for 2013/14 (SFC, 2013) reported that colleges would deliver the following outcomes during academic year 2013/14.

• Increase teaching provision by 4 per cent – with a WSUM target of 2.262 million, up from 2.1 million WSUMs in 2012/13.
• Contribute to the delivery of *Opportunities for All*, with a continuation of 70 per cent of provision targeted at those aged 16-24.
• Extra full and part-time provision to meet the needs of women and older learners.
• Improve the quality of provision, with 1,000 more full time students successfully completing their courses as compared with the figures for 2011/12.
• Create more efficient regional structures across Scotland, with a further four college mergers planned to take place in November 2013.

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12 The SFC measures college activity by the volume of learning hours delivered – called a SUM (a student unit of measurement). One SUM equals 40 hours of learning. SFC funding is weighted to reflect the cost of delivering different subjects and providing for different groups of learners. From this weighting the SFC establishes learning activity targets for colleges. These are called WSUMs (weighted student unit of measurement). The SFC is working with the college sector to replace WSUMs with a simpler, more transparent measure from 2014/15.
The document *College Outcome Agreement Guidance for 2014/15* (SFC, 2013a) explains the process involved in college regions negotiating an outcome agreement with the SFC. It also explains how the previous years’ outcome agreements are to be monitored. From 2014/15, the SFC will begin implementing 3-year outcome agreements, comprising a regional context statement and an outcome progress table. The regional context statement will capture contextual information on how the region is meeting learner and employer need. This will be prepared at the beginning of each 3 year cycle, replacing publication of a strategic plan. The outcome progress table will provide the baseline, target and progress for each of the national measures of success as well as any other measures individual colleges wish to include. This table will be updated annually and used to provide monitoring information to the SFC.

The outcome agreement funding cycle is composed of two inter-related tracks:

- The first track relates to past activity and concludes with SFC considering decisions in relation to sector progress.
- The second track relates to the negotiation of future outcome agreements or annual updates to the three year agreements and concludes with SFC taking the decision on future funding allocations.

Both tracks interact to allow the SFC to review past progress to inform decisions about the future outcomes to be achieved. Reviewing past activity (under the first track) involves colleges taking part in self-evaluation. This is said to offer a mechanism for providing early opportunities to identify achievements and challenges from the year just past and, if necessary, revise milestones to work towards achieving the college’s three year targets (SFC, 2013a). The college outcome agreements published for 2013/14 include information on achievements in the previous year as well as milestones for the year to come\(^\text{13}\).

\(^{13}\) Outcome agreements for 2013/14 can be accessed via this link: [http://www.sfc.ac.uk/funding/OutcomeAgreements/OutcomeAgreements.aspx?Search=&Type=Outcome%20Agreements&Sector=College%20Sector&From=dd/mm/yyyy&To=dd/mm/yyyy&YearFilter=2013](http://www.sfc.ac.uk/funding/OutcomeAgreements/OutcomeAgreements.aspx?Search=&Type=Outcome%20Agreements&Sector=College%20Sector&From=dd/mm/yyyy&To=dd/mm/yyyy&YearFilter=2013)
SOURCES


SFC (2013) *Summary of College Outcome Agreements for 2013/14*. Available at: [http://www.sfc.ac.uk/web/FILES/Funding_Outcome_Agreements_2013-14/College_Sector_Outcome_Agreements_2013-14_Summary.pdf](http://www.sfc.ac.uk/web/FILES/Funding_Outcome_Agreements_2013-14/College_Sector_Outcome_Agreements_2013-14_Summary.pdf)

SFC (2013a) *College Outcome Agreement Guidance 2014-15*. Available at: [http://www.sfc.ac.uk/guidance/outcomeagreements/CollegeOAGuidance.aspx](http://www.sfc.ac.uk/guidance/outcomeagreements/CollegeOAGuidance.aspx)

SFC and Scottish Government (2011) *College Regionalisation: Proposals for implementing Putting Learners at the Centre*. Available at: [www.sfc.ac.uk/web/FILES/Consultations_JointConsultation/JointConsultationDocument.pdf](http://www.sfc.ac.uk/web/FILES/Consultations_JointConsultation/JointConsultationDocument.pdf)


## ANNEXE 1 – HIGH LEVEL SUMMARY OF COLLEGE SECTOR BOARD ARRANGEMENTS PRE AND POST 2013 ACT

<table>
<thead>
<tr>
<th></th>
<th>Previous incorporated college board</th>
<th>Regional college board (single college region)</th>
<th>Regional strategic body (multi-college region)</th>
<th>Assigned college board (multi-college region)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board size</strong></td>
<td>10-16 members</td>
<td>15-18 members</td>
<td>No fewer than 15 members</td>
<td>13-18 members</td>
</tr>
<tr>
<td><strong>Duties</strong></td>
<td>Manage and conduct college</td>
<td>Manage and conduct college</td>
<td>Secure coherent, high quality provision, having regard to other provision in locality</td>
<td>Manage and conduct college</td>
</tr>
<tr>
<td></td>
<td>[existing section 12(1) of the 1992 Act]</td>
<td>Secure coherent, high quality provision, having regard to other provision in locality Plan, having regard to economy, efficiency and effectiveness Improve economic and social well-being of locality Have regard to particular matters in exercise of functions – local needs; national needs; sustainable development; UK and international context; educational and related needs (including support needs); improving participation in fundable further and higher education by socio-economic groups currently underrepresented and promoting collaboration and the sharing of good practice between its colleges Performance monitoring of colleges Consult and collaborate</td>
<td>Secure coherent, high quality provision, having regard to other provision in locality Plan, having regard to economy, efficiency and effectiveness Improve economic and social well-being of locality Have regard to particular matters in exercise of functions – local needs; national needs; sustainable development; UK and international context; educational and related needs (including support needs); improving participation in fundable further and higher education by socio-economic groups currently underrepresented and promoting collaboration and the sharing of good practice between its colleges Performance monitoring of colleges Consult and collaborate</td>
<td>Manage and conduct college Have regard to plans of regional strategic body Provide regional strategic body with such information as it may reasonably require Comply with any directions issued to it by regional strategic body Comply with requirements made by regional strategic body concerning the transfer of staff, property, etc. [Consent of non-incorporated college always required; consent of colleges always required if regional strategic body is UHI]</td>
</tr>
<tr>
<td><strong>Powers</strong></td>
<td>As set out in Section 12(2) of 1992 Act</td>
<td>As set out in Section 12(2) of 1992 Act - not changed by 2013 Act (except for minor amendment to section 12(2)(d))</td>
<td>Similar to SFC: Administer funds Fund assigned colleges Efficiency studies Right to address college meetings * Require information (from assigned colleges)</td>
<td>As set out in Section 12(2) of 1992 Act - not changed by 2013 Act (except for minor amendment to section 12(2)(d))</td>
</tr>
<tr>
<td>Role</td>
<td>Details</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
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<td></td>
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</tr>
</tbody>
</table>
| **Chair** | Appointed by board from among members  
Not remunerated  
Not student, college employee, principal, member/employee of local authority |
| **Staff members** | One teaching staff  
One non-teaching staff |
| **Student members** | One student  
Two students |
| **Other members** | One member appointed by local enterprise company  
Other members appointed by board  
At least half board to have capacity in industrial, commercial or employment matters of any profession |
| **Principal** | Appointment and terms and conditions set by college board  
Employed by college board  
Member of board by right of position |
| **Removal of board members** | Any or all college board members (including chair, but excluding the principal) can be removed by Scottish Ministers by order on grounds of mismanagement. Section 24 of the 1992 Act refers |

*General powers (paragraph 14 of schedule 2B to the 2005 Act)*

- Appointed by Scottish Ministers
- Cannot be MSP, MP, MEP, member of House of Lords or college principal
- Can be remunerated

- Appointed by Scottish Ministers
- Cannot be MSP, MP, MEP, member of House of Lords or chief officer of board
- Can be remunerated

- Appointed by regional strategic body, following guidance issued by Scottish Ministers
- Not remunerated

- One teaching staff
- One non-teaching staff

- Chair of each assigned college is member of Regional Board by right of position
- Other members appointed by Regional Board, following guidance issued by Scottish Ministers

- Principals of assigned colleges have a right to participate in Regional Board meetings (but not make decisions), unless the chair of the Regional Board determines otherwise.

- Chair of each assigned college is member of Regional Board by right of position
- Other members appointed by Regional Board, following guidance issued by Scottish Ministers

- Any or all Regional Board members (including chair) can be removed by Scottish Ministers by order on grounds of board failure or mismanagement Section 23Q of the 2005 Act, as inserted by section 12 of the 2013 Act, refers.

- Any or all Regional Board members (including chair) can be removed by Scottish Ministers by order on grounds of board failure or mismanagement. Before an order can be made, SFC must be consulted. Section 24 of the 1992 Act refers.
be consulted, Section 24 of the 1992 Act, as substituted by section 7 of the 2013 Act, refers.  

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i An incorporated college is a college that has a board of management established under Part 1 of the 1992 Act.

ii Sections highlighted in yellow refer to Regional Boards only. Regional Boards are a type of regional strategic body that have their constitution set out in the 2005 Act (as amended by the 2013 Act).

iii Sections highlighted in green refer to incorporated colleges only.
ANNEX 2 - OVERVIEW OF COLLEGE REGIONALISATION (LEGISLATIVE REFORM)

Single college regions

- Scottish Funding Council (SFC)

Regional colleges
- An incorporated college designated as regional
  - A type of fundable body
  - Different board arrangements and duties compared to other incorporated colleges
  - E.g. Ministers appoint chair

Single College Regions
- Aberdeen and Aberdeenshire
- Ayrshire
- Borders
- Dumfries & Galloway
- Edinburgh
- Fife
- Forth Valley
- Tayside
- West
- West Lothian

Multi-college regions

Regional strategic bodies – two types (see below)
- A type of fundable body
- Plan across region and fund assigned colleges
- Powers in respect of colleges differ depending on whether assigned college is incorporated or not
  - E.g. have powers to appoint chair and ordinary board members to assigned incorporated colleges only

Regional boards
- (Established under, and constitution set out in, 2005 Act)
  - Ministers appoint chair

‘Other’ regional strategic bodies
- (A fundable post-16 education body ‘designated’ as a regional strategic body, e.g. UHI)

Assigned colleges
- (An incorporated or non-incorporated college assigned to a regional strategic body)
  - A post-16 education body

Multi-College Regions
- Glasgow (regional board)
- Lanarkshire (regional board)
- Highlands & Islands (UHI as other regional strategic body) - only region envisaged to have incorporated and non-incorporated colleges assigned to the regional strategic body
RELATED BRIEFINGS

SB 11-55 Scotland’s Colleges (596KB) pdf (4 August 2011)

SB 12-64 Draft Budget 2013/14: Further Education (815KB) pdf (31 October 2012)

SB 13-05 Post-16 Education (Scotland) Bill (1.264KB) pdf (24 January 2013)

SB 13-33 Post-16 Education (Scotland) Bill – Stage 3 (526KB) pdf (11 June 2013)

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