Additional information for Finance Committee on the Post-16 Education (Scotland) Bill - arising from officials evidence on 30 January 2013.

Before addressing the additional information officials offered to provide during this evidence session, we thought it might be helpful for members to recap on some of the proposed new college structures and related terminology.

Regionalisation: overview

As it is envisaged, there will be two types of college region: those with just one college (single-college regions, each with one regional college), and those with more than one college (multi-college regions). In multi-college regions there will be a regional strategic body that will fulfil a planning and funding function at a regional level. Colleges in that region will be assigned to the regional strategic body.

In the Highlands and Islands region, the UHI will fulfil the role of the regional strategic body. Elsewhere, a new ‘Regional Board’ will be established (e.g. the Bill proposes a Regional Board for Glasgow Colleges). The Regional Board will be an organisation with both executive staff and a board of governance.

Members may also find it helpful to refer to the diagram on page 7 which offers a very clear outline of college structures following regionalisation.

Specific matters following up Committee session on 31/1/13

Further to Michael Cross’s statement (column 2183) that each region would have a “regional board”, it should be clarified that each region would have a regional body, and that each regional body will have a governing body.

Further to John Mason’s question (column 2184), we confirm it is possible that in a region with three colleges there might be three different salary scales. It is also possible that in such a region there may be more than three different salary scales. Just as now, individual colleges may not necessarily have one salary structure.

Further to Michael Cross’s comments (column 2179 and 2186), we attach a breakdown of our estimates for the annual recurring cost of staff (£410,000) and other costs (£110,000) of regional boards.

Further to the exchange between Jamie Hepburn and Michael Cross (column 2186), we attach a table showing how the remit of oversight bodies would be amended by the Bill.

Further to Jamie Hepburn’s question on what would happen to a regional board if all the colleges in the region were to merge (column 2186), section 13 of the Bill, which inserts new section 23O into the Further and Higher Education (Scotland) Act 2005, makes provision for Ministers to make an order to abolish a regional board and to transfer the staff, property, right and liabilities of the regional board. We would expect these to be transferred to the merged college in the region which would then benefit from the savings and efficiencies associated with merger.
There are two ways a college can merge. One way is for one of the colleges to remain and the other colleges close. The board of the college that remains is the board of the merged college. Steps are usually taken in this circumstance to ensure that the board membership is refreshed to reflect the merger. The other way is for all the colleges to close and an entirely new college is established. The new college would therefore require a board to be appointed.

In addition to abolishing the regional board by order, Ministers would make an order to designate the single college as a regional college. In this order, Ministers could make provision for board members to continue in office (only an option if it is not a new college) or the appointment by Scottish Ministers of board members (this would be required if it is a new college).

In response to Gavin Brown’s question about the cost of data sharing (column 2179), the £52k allocated to meet the costs of developing technical solutions to support data sharing in Section 15 of the Post-16 Education (Scotland) Bill is provided by Skills Development Scotland (SDS). In financial year 2012/13 SDS have spent approximately £6k developing and refining technical solutions for sharing data with local authorities. SDS have reallocated the remaining anticipated spend against financial years 2013/14 and 2014/15 to take in to account the timescales for incorporating partners within the data sharing community and legislation coming in to force. SDS remain satisfied that the overall figure of £52k is sufficient to deliver the software changes required to implement these changes.

Post-16 Bill Team
February 2013
### REGIONAL BOARD STAFF ESTIMATES

<table>
<thead>
<tr>
<th>Post / Resources</th>
<th>Accountabilities</th>
<th>Costs</th>
</tr>
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</table>
| **CEO (Strategic Finance Lead)**                | • Negotiate a Regional Outcome Agreement (ROA) with SFC on behalf of Regional Board  
• Accountable for delivery of ROA  
• Establish the strategic direction and aims of the board and of its partner colleges  
• Plan college provision across the region  
• Allocate funding to colleges, determining with them their respective contributions to the ROA through a local outcome agreement (LOA) with each of them as directed by Board  
• Be focal point for engagement with regional partners  
• Monitor college performance in terms of curriculum and resources | £100k-£120k  
£152k  

| **Strategic Curriculum Lead**                   | • Accountable for development and implementation of regional curriculum plan and its delivery through local colleges  
• Monitor delivery of curriculum aspects of ROA and LOAs                                                                                             | £70k - £80k  
£101.6k  

| **Operational Finance role (if strategic finance rests with CEO)** | • Allocate resources as directed by CEO and manage and maintain appropriate records  
• Maintain an required statutory accounts  
• Manage all operational financial transactions                                                                                                         | £30k  
£38.1k  

| **ICT Systems and Data Management Lead**        | • Research and recommend systems and data collection and management integration across region  
• Manage ICT infrastructure and system in place for Regional Board                                                                                     | £40k  
£50.80k  

| **Regional Board Secretary (part-time – half time)** | • Serving Regional Board and its meetings/ committees  
• Advising on governance accountabilities                                                                                                                | £35k (pro-rata)  
£22,225  

| **Administrative Support for roles above x 2**   | • Secretarial, administrative and diary management support  
• All required record keeping                                                                                                                             | £25k (x2)  
£63.5k  

| **TOTAL**                                       |                                                                                                                                                    | **£428,225**        |
Assumptions (these were identified in the Financial Memorandum – para 144)

Estimates of costs have been developed with the support of a college assistant principal HR professional seconded to the Scottish Government and assume:

a) the chief officer of a regional board would operate at a strategic level, comparable to principal level. The post holder would be responsible for regional planning, holding colleges to account for their agreed contribution to regional delivery and with overall accountability for the delivery of the region’s outcome agreement. Costs are expected to vary by region and are at the lower end of current college principal salaries. If the post holder had significant strategic financial and curriculum expertise, the posts outlined in b) and c) below may not be required at such a high level (if at all).

b) a finance role would not need to be at a strategic level if accountability for financial strategy rested with the chief officer, but the board would need an accountant and accounting systems. This post might not be required if this was within the expertise of the chief officer.

c) since a key regional board activity would be strategic curriculum planning, the estimate assumes the appointment of a strategic curriculum lead. This post might not be required if this is within the expertise of the chief officer.

d) the integration or shared arrangement of ICT systems is likely to be an important regional board activity, so a senior ICT post has been assumed.

e) administrative support would be required, including servicing of the board. (This is not envisaged to be a full-time role.)

f) the estimate does not include any shared services that the board might deliver to colleges. Such services are likely to involve the transfer of staff, equipment and budget from colleges to the board.
### REGIONAL BOARD OTHER ESTIMATED COSTS (RECURRING ANNUALLY 2014/15 ONWARDS)

<table>
<thead>
<tr>
<th>Description</th>
<th>£k (VAT included)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computing Equipment - assumes incorporated into existing college network</td>
<td>3</td>
</tr>
<tr>
<td>Consumables/ hospitality</td>
<td>10</td>
</tr>
<tr>
<td>Travel expenses for Board members</td>
<td>10</td>
</tr>
<tr>
<td>Travel expenses for officials</td>
<td>5</td>
</tr>
<tr>
<td>Accommodation costs (non-rent)</td>
<td>8</td>
</tr>
<tr>
<td>Rent</td>
<td>24</td>
</tr>
<tr>
<td>Staff-related (non-salary)</td>
<td>18</td>
</tr>
<tr>
<td>Recruitment of board members</td>
<td>10</td>
</tr>
<tr>
<td>Professional services</td>
<td>12</td>
</tr>
<tr>
<td>Audit services</td>
<td>10</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>£110k</strong></td>
</tr>
<tr>
<td>Remuneration of chair</td>
<td>£20k</td>
</tr>
</tbody>
</table>

Start-up costs (2014/15) = £12k (setting up of office as well as of financial and other processes)
## POST-16 EDUCATION SCOTLAND BILL

<table>
<thead>
<tr>
<th>Body</th>
<th>Existing Scope</th>
<th>Scope after Bill</th>
<th>Provision in Bill</th>
</tr>
</thead>
</table>
| **Commission for Ethical Standards in Public Life - Public Standards Commissioner** | Colleges with a board of management under the 1992 Act | • Colleges with a board of management under the 1992 Act  
• Regional boards | Paragraph 3 to the schedule to the Bill |
| Standards Commission for Scotland | Colleges with a board of management under the 1992 Act | • Colleges with a board of management under the 1992 Act  
• Regional boards | Paragraph 3 to the schedule to the Bill |
| Scottish Public Services Ombudsman | Colleges eligible for funding by SFC* | • Colleges eligible for funding by SFC  
• Colleges assigned to regional strategic bodies  
• Regional strategic bodies | Paragraph 4 to the schedule to the Bill |
| Information Commissioner          | • Colleges with a board of management under the 1992 Act  
• An institution in receipt funding from SFC | • Colleges with a board of management under the 1992 Act  
• An institution in receipt of funding from SFC** or a regional strategic body | Paragraph 5 to the schedule to the Bill |
| **Commission for Ethical Standards in Public Life - Public Appointments Commissioner** | No college bodies. | Bill, as introduced, makes no provision. | |

* The regionalisation plans involve colleges in multi-college regions no longer being directly funded by the SFC. Colleges assigned to regional strategic bodies would at an appropriate juncture be removed from the list of “fundable bodies”.

** This would bring regional strategic bodies within scope, as they would be funded SFC.
COLLEGE REGIONALISATION OVERVIEW

Single-college regions

Multi-college regions

SFC

Regional strategic bodies

Regional boards

University of Highlands and Islands

Assigned colleges

Assigned colleges

Single College Regions

Existing

Anticipated

Borders

Ayrshire

Dumfries & Galloway

Fife

Edinburgh

Tayside

Forth Valley

West

West Lothian

Aberdeen and Aberdeenshire

Anticipated Multi-College Regions

Glasgow

Lanarkshire

Highlands & Islands