

Tuesday 3 March 2015 starting with lunch at 1pm (networking opportunity) in Room 1074b

Board meeting starts at 2pm

**Presented
by**

A G E N D A

- 1 Welcome and Apologies
- 2 Declaration of Interest
- 3 Minute of Meeting of 20 January 2015 (attached)
- 4 Matters Arising
 - 4.1 Executive Team Capacity (verbal update) CT
 - 4.2 Curriculum Review and Potential Redundancies (verbal update) HP
- 5 Finance and General Purposes Committee
 - 5.1 January '15 Management Accounts (report attached) JB
 - 5.2 Financial Outturn at March '15 (report attached) JB
 - 5.3 Financial Reporting and Depreciation (report attached) JB
 - 5.4 Capital expenditure / Transfer to foundation (report attached) JB
 - 5.5 April - July '15 Budget (report attached) JB
 - 5.6 Outcome Agreements - Indicative funding 2015-2016 (letter attached) JB
 - 5.7 August 2015 to July 2016 Budget (report attached) JB
- 6 Chair's Update (verbal update) BJ
- 7 Principal's Update (to follow) CT
- 8 Student Association President's Update (report attached) SG
- 9 Governance Issues
 - 9.1 Board Recruitment (report attached) JB
 - 9.2 Vice chair, committee chairs and committee membership (report attached) JB
 - 9.3 Governance Arrangements - Teachers Pension Scheme (letter attached) JB
- 10 Human Resource Committee
 - 10.1 Annual report of the committee 2013-14 (report attached) HP
 - 10.2 Absence Management 2013-14 (report attached) HP
 - 10.3 Director's Update (report attached) HP
- 11 Disposal of Property (report attached) HP
- 12 Key Performance Indicators (attached) JB
- 13 Strategic Risk Register (attached) JB
- 14 Minute of Strategic Session of 20 January 2015 (attached)
 - 14.1 Mainstream Curriculum 2015-16 (paper attached) JB
- 15 Stakeholder theme - Crichton Partners Presentation CT
- 16 Any Other Business
- 17 Date and Time of Next Meeting Tuesday 21st April 2015 at 1:30pm
Starting with presentation from John Bowditch, Inspector, Education Scotland

Board of Management

Minute of Meeting of the Board of Management of Dumfries and Galloway College held on Tuesday 3 March 2015 from 2.00 pm in Room 1074b of the Dumfries campus

Members Present:

Brian Johnstone (Chair)	Sam Glendinning
Delia Holland (Vice chair)	Craig McGill
Hugh Carr	Janice Goldie
Barry Graham	John Henderson
Kenny Henry	Pat Kirby
Karen McGahan	Stuart Martin
Andrew Nyondo	Carol Turnbull

In Attendance: Jannette Brown, Secretary to Board and Vice Principal (Corporate Services & Governance)
Susan Sutherland, Minute Taker and Executive Team Assistant
Helen Pedley, Director of Organisational Development and Facilities
Andy Wright, Vice Principal (Learning and Skills)
Karen Hunter, Finance Manager (Item 5 only)

1 Welcome and Apologies

The Chair welcomed members to the first full meeting on the new Regional Board, and welcomed Barry Graham to his first Board meeting. Apologies were received from Janet Brennan.

The Secretary to the Board confirmed the meeting was quorate with enough members present to allow official decisions to be made.

2 Declaration of Interest

Members agreed to indicate declarations of interest as appropriate throughout the meeting.

3 Minute of Meeting held on 20 January 2015

The minute of previous meeting of the Board held on 20 January 2015 was approved.

4 Matters Arising

4.1 Item 5b Executive Team Capacity

The Principal reported that, following discussions with regard to the Executive Team capacity at the previous meeting, the Executive Team had acknowledged that the Board preference was for the Secretary to the Board role to remain internal, and had reviewed the situation further. However, having looked at the various options it was confirmed that the Board would recruit externally. This was remitted to the Selection and Appointments Committee to progress.

4.2 Item 10 Curriculum Review and Potential Redundancies

The Director of Organisational Development reported that she had had ongoing meetings with affected staff, and unions. The feeling of the Board at the previous meeting had been that, in view of lack of affordability and avoidance of any perceived precedent, an enhanced scheme would not be possible. Since then the Director had further reviewed the financial implications which would be £28k (plus any strain on pension funds where an individual was over 50). She also confirmed that the Scheme would be different to any previously offered and could be opened for a fixed period only, which would alleviate the risk of setting a precedent.

Following discussion during which Members were assured that management would ensure that skills sets were maintained, it was agreed to offer an enhanced scheme, subject to approval by the Scottish Funding Council.

5 Finance and General Purposes Committee

Members were reminded that for a trial period, and to allow for a greater understanding of the work of Committees of the Board, Committee papers would be brought to the full Board for consideration.

5.1 January 2015 Management Accounts

The Vice Principal (Corporate Services and Governance) spoke to the report which had been issued, advising on changes to financial reporting and budgeting following reclassification of the College sector, with priority now being given to achieving a balanced budget each year, managing cash balances throughout the year, and maintaining broadly the same level of working capital year on year. As a result the College would need to balance its resource budget at 31 March each year, and provide returns to the Scottish Funding Council (SFC) that disclose the 31 March budget out-turn. Any donations to the Scottish Colleges Foundation (SCF) had to be from available resource budget and made before 31 March.

H Carr joined the meeting at this point

Members noted the position

5.2 Forecast Financial Out-turn to 31 March 2015

5.3 Financial Reporting and Depreciation

It was agreed to discuss items 5.2 & 5.3 at the same time.

The Vice Principal (Corporate Services and Governance) spoke to the reports which had been distributed. The first report (5.2) highlighted the forecast financial and the budget outturn for the 12 month period to 31 March 2015. It went on to explain the potential revisions should approval be given to utilise depreciation funds.

The second report (5.3) highlighted the differences between the two sets of financial reporting rules for depreciation charges with which the College must comply following Office for National Statistics (ONS) reclassification of the college sector.

Members were advised that this was an ongoing sector wide issue between the Scottish Funding Council (SFC) and the Scottish Government. SFC had initially advised that colleges could use depreciation to offset the shortfall in student funding but this could result in most colleges publishing a deficit position, and so further guidance was awaited.

The Board noted the position and expressed its concern at the lack of clarity.

5.4 Capital Expenditure/transfer to Scottish Colleges Foundation

The Vice Principal (Corporate Services and Governance) spoke to the report which had been issued, providing an update on the financial forecast and budget out-turn for the 12 month period to 31 March 2015.

She reported that the Hospitality development was complete and still on schedule to come in on budget. The College had been able to allocate some of the project costs against capital grant from the Scottish Funding Council (SFC) which meant that not all monies received from the Scottish Colleges Foundation would be required. Final invoices were being prepared but indications to date showed that if the College is approved to use depreciation funds up to £500k could be returned to the Foundation.

In addition, the Executive Team anticipated that commercial income generated by the College of up to £250k, could also be transferred to the Foundation.

The Audit Committee had considered this at its meeting on 24 February 2015 and recommended approval to the Board.

Following discussion, the Board approved the transfer of up to £750k to the Scottish Colleges Foundation (D&G sub fund) by 31 March 2015, subject to any necessary approval from the Scottish Funding Council. It was delegated to the Principal to make the final decision within the agreed parameters.

5.5 April – July 2015 Budget

The Vice Principal spoke to the report which had been issued. The College budget for 2014/15 related to the period April 2014 to March 2015 and corresponded with the planned financial year end. The College financial year end had changed to 31 July with effect from 31 July 2015, and the financial statements for 2015 would cover the 16 month period from April 2014 to July 2015, and so a budget was now required for the four month period April 2015 to July 2015.

Following discussion, the Board approved the April – July budget.

5.6 Outcome Agreements – Indicative funding 2015-16

The Vice Principal (Corporate Services and Governance) spoke to the copy Scottish Funding Council (SFC) letter which had been issued on 30 January 2015 advising colleges with initial SFC decisions on funding for academic year 2015-16. She reported that a further communication had been received that morning reducing the original amount of £8.7M by £380k.

The draft Regional Outcome Agreement document was tabled for Members' information. It was noted that the targets in the ROA formed the operational aspects which supported the strategic direction of the College, as decided by the Board. Members were asked to make any comment to the Vice Principal within seven days, when the document would require to be signed by the Regional Chair and Principal and formally submitted to SFC.

5.7 August 2015 – July 2016 Budget

The Vice Principal (Corporate Services and Governance) spoke to the report which had been issued, advising that the Scottish Funding Council had provided indicative grant levels for core grant, capital/maintenance, student support and European Social Fund grant.

Members considered the draft budget and key assumptions and approved the 2015-16 Budget.

6 Chair's Update

The Regional Chair gave a verbal report on his activity since the previous meeting.

6.1 Locally

The College Chair brought together a core (strategic planning) group in response to Developing the Young Workforce, to seek to establish an Invest in Young Persons Group in Dumfries and Galloway. The group consists of representatives from Dumfries and Galloway Council, Dumfries and Galloway Chamber of Commerce with the Chair and the Principal representing the College.

A second successful Employer Advisory Board (EAB) event had taken place in the College on 27 January 2015, and the Heads of Faculty were taking forward EABs in each area.

The College is hosting a Head Teachers conference on 12 and 13 March 2015 which it was anticipated would enhance the relationship with schools and assist in furthering pathways for students and school college partnerships.

The Chair and Principal had met with the Vice Dean, Faculty of Engineering, from Strathclyde University regarding potential engineering HNC/Degree articulation and modern apprenticeships. The meeting was very positive and matters are being progressed with a view to commence session 2016-17.

He had also begun one to one meetings with individual Board Members, in order to gauge specialisms/interest going forward, and personal development for Members, and it was hoped to establish a Board evaluation framework with the input of Jan Polley, consultant.

6.2 *Nationally*

The Chair advised on discussions at Colleges Scotland Board level regarding potential National Bargaining and advised that the Board would be asked to consider their position on this issue in next few months.

7 *Principal's Update*

The Principal spoke to the report which had been issued updating Members on key College activities. She added that since the report was written, the College had won a bronze award for Marketing at the Colleges Development Network Awards on 26 February, and of exciting employer/school/college vocational pathways being progressed with Pinneys and Annan Academy, and Wilson's and Dalbeattie High School.

Members noted the report.

8 *Student Association President's Update*

The Student Association (SA) President spoke to the report which had been issued, which gave details of the structure of the SA Executive posts involved. Members noted that all students were members of the Association Working on Behalf of Learners. The report also highlighted recent Association activities and the Executive and Student Association Development Officer were producing a development plan and template to aid successive Student Association Executives to establish quickly, and hopefully ensure sustainability.

The President and Chair had discussed the possibility of students making a promotional video for use in schools to use student experience to encourage pupils to come to College. The Board endorsed this idea and it was agreed the SA Executive take this forward with the Marketing team.

Members welcomed the positive nature of the report.

9 *Governance Issues*

The Secretary to the Board advised the Board that the Cabinet Secretary had now approved the appointment of S Martin, D Holland, B Graham, J Goldie and J Henderson. The Secretary to the Board spoke to the report which had been issued advising that the re-arranged interview of Ros Francis had taken place. The Selection and Appointments Committee was recommending to the Board the appointment of Ros Francis to the Board.

The Board approved the Committee's recommendation and the Chair would now seek approval to appoint from the Cabinet Secretary for Education and Lifelong Learning.

9.2 *Vice Chair, Committee Chairs and Committee Membership*

The Secretary to the Board spoke to the report which had been issued, advising that the transition from College Board to Regional College Board was completed by 3 March 2015. All existing office positions would require to be reviewed including the appointment of a Vice Chair, Committee Chairs and Committee Membership.

Following discussion, the Board approved continuation of the existing arrangements until its next meeting on 21 April 2015. Members agreed to advise the Secretary if they wished to be considered for the position of Vice Chair, Chair of Committee and membership of a Committee. Details of the role of the Vice Chair, and the Standing Committees were attached to the report.

9.3 Governance Arrangements – Teachers Pension Scheme

Members noted a copy letter from Colleges Scotland to the Cabinet Secretary for Finance, Employment and Sustainable Growth.

10 Human Resources Committee

10.1 Annual report of the Committee 2013-14

The Director of Organisational Development and Facilities spoke to the report which had been issued, providing an update for the period in relation to the minimum reporting requirements for standing committees.

The Committee confirmed that it was of the opinion that it complied with the Standing Orders and Financial Regulations and assured the Board on the effective and efficient achievement of the Board's objectives for the Committee, and so the Board accepted the report.

10.2 Sickness Absence report

The Director spoke to the report which had been issued, which provided a summary of the sickness absence levels for the period 1 August 2013 – 30 July 2014.

The report indicated an overall absence rate for the College for the period of 4.4%, and gave details of long term and short absence and the reasons given. Upon reviewing the absence levels, there did not appear to be any trends in relation to reasons or departments. The College continued to refer staff to Occupational Health where there was a history of frequent absences to establish if there was an underlying cause or if the College was required to make any adjustments as a result of illness to enable their performance to improve.

Members noted the report.

10.3 Director's Update

Members noted the Director's Update report which had been issued giving a summary of current Human Resources (HR) developments, including an online recruitment pilot and a new HR system. The report also advised on no significant change to the overall staffing establishment and provided an update on the National Joint Negotiating Committee.

11 Disposal of Property

The Director of Organisational Development and Facilities spoke to the report which had been issued, regarding the property at Catherinefield, Heathhall which was currently on a five year lease arrangement with a nursery.

Following a review of the College estate, the building would not be required for long term plans and so the proposal would be to dispose of the property at the end of the current lease agreement, in June 2016. An evaluation of the property in 2009 was approximately £150,000.

The Board approved the proposed sale, subject to Scottish Funding Council permission and it was noted that once a valuation was available, it would be offered to the current tenant in the first instance.

12 Key Performance Indicator Report

The Vice Principal (CS&G) spoke to the report which had been issued.

Members noted the report and that the College was on target to deliver its WSUMs target, and on course to achieve improvements in retention and outcomes.

13 Strategic Risk Register

The Vice Principal (Corporate Services and Governance) spoke to the Register at February 2015 which had been issued, and advised of no suggested change from the previous meeting.

Members noted that a new Strategic Plan 2015-19 would be issued in August from which the Risk Register would be refreshed.

14 Minute of Strategic Session of 20 January 2015

The Minute of meeting was approved.

14.1 Mainstream Curriculum

Members welcomed the tabular document showing the mainstream curriculum of the College, and articulation routes.

The Regional Chair also questioned whether there were statistics showing pupils who achieved A passes in the region, but who did not go on to or dropped out of Higher Education. Barry Graham responded that he would issue information on A passes.

Vice Principal (CS&G) agreed to seek statistical data students from this region who drop out of HE from the Scottish Funding Council.

15 Stakeholder Theme – Crichton Partners

The Principal spoke to the report which was tabled, listing the partners involved in the Crichton Campus Leadership Group including the College, which was chaired by Dame Barbara Kelly, and highlighting the remit of the group.

Members noted the growing economic importance of the Campus to the Region, and also discussed the number of business housed there. The Principal confirmed that the College Business Development Manager engaged with the businesses, and that the Joint Academic Strategy Group, which the Principal chaired, had agreed at its previous meeting to hold a workshop event in the Spring to begin the process of mapping out existing participation and potential opportunities for the future.

Members were also keen to maintain the College's profile on the Campus and the Region, and it was noted that representation on the Crichton Foundation, and Crichton Development Company aided with this.

16 Any Other Business

None

17 Date and Time of Next Meeting

The next meeting would take place on Tuesday 21 April 2015 from 1.30 pm.

Board of Management

Minute of Meeting of the Board of Management of Dumfries and Galloway College held on Tuesday 20 January 2015 from 10.30 am in Room 1074b of the Dumfries campus

Members Present:

Brian Johnstone (Chair)	Sam Glendinning
Delia Holland (Vice chair)	Craig McGill
Janet Brennan	Janice Goldie
Hugh Carr (item 10 onwards)	John Henderson
Kenny Henry	Pat Kirby
Carol Turnbull	Stuart Martin
Karen McGahan	

In Attendance: Jannette Brown, Secretary to Board and Vice Principal (Corporate Services & Governance)
Susan Sutherland, Minute Taker and Executive Team Assistant

Helen Pedley, Director of Organisational Development and Facilities
Andy Wright, Vice Principal (Learning and Skills)

1 Welcome and Apologies

The Chair welcomed members to the meeting. Apologies were received from Sandy Burgess, Colin Grant and Andrew Nyondo.

The Secretary to the Board confirmed the meeting was quorate with enough members present to allow official decisions to be made.

2 Declaration of Interest

Members agreed to indicate declarations of interest as appropriate throughout the meeting.

3 Minute of Meeting held on 16 September 2015

The minute of previous meeting of the Board held on 16 September 2015 was approved.

4 Matters Arising

4.1 Item 4.1 D&G students attending college out with Region

Members noted the report on the number of students residing in D&G and studying at neighbouring colleges, ie Ayr, Kilmarnock or City of Glasgow. The statistics reassured the Board that there were no gaps in the curriculum, and that attendance elsewhere appeared to be student personal choice or for a specialist course not offered by the College.

4.2 Item 5 Possible Graduate apprenticeships

The Principal reported that unfortunately Skills Development Scotland had not progressed the possibility of linking with the University of Glasgow Engineering department. However the College was still keen to progress apprenticeships and was discussing a possible route with Lockerbie Academy. The Principal reported that the Chair had arranged a meeting had with the University of Strathclyde to discuss potential links.

5 Chair's Update

5a The Chair reported on work at national level

- Colleges Scotland(CS) had recruited senior officers to support the main focus committees, ie Learning Skills and Quality, Funding and Finance, Employer Relations, Audit/Corporate

- Colleges Development Network had recruited a new CEO and was focussing on development of college staff and board members
- CS Board progressing recommendations of Developing Scotland's Young Workforce
 - Key recommendation was to have employer led boards locally to bring together employers, colleges and schools
 - Chair and Principal had hosted a meeting at the College with Dumfries and Galloway Council and Dumfries and Galloway Chamber of Commerce to begin the process locally of establishing an "Invest in Young People" group for Dumfries and Galloway region
- National pay bargaining discussions were ongoing, with slow or little progress

Locally, the College was involved in the Crichton Campus Leadership Group, and sub-committees. In response to a query from Delia Holland, the Principal agreed to provide a paper advising of which organisations were on the Crichton Campus, and how these were working together.

Action: The Principal to prepare paper on Crichton Campus organisations

5b Executive Team Capacity

The Chair reported on concerns raised by the Principal with regard to the Executive Team capacity. One option that could help with capacity would be to remove the Secretary to the Board role from the Executive and employ an external Secretary to the Board. The Chair sought views from the Board as to their preference for an internal or external Secretary to the Board. Following discussion the Board expressed their preference for an internal Secretary, but accepted that an external Secretary would help provide some capacity within the Executive Team. They therefore agreed to recruit externally. This was remitted to the Selection and Appointments Committee to progress.

Action: Secretary to the Board to arrange meeting of Selection and Appointments Committee

5c Board Development Event

The Chair reported on the excellent board development event held in November 2014, facilitated by Jan Polley. One area that was discussed at the event was the importance of team work and the need to build a strong team. The Chair suggested a way to achieve this was to increase the frequency of board meetings for a period of time, reducing the frequency of some committees and including the business of these committees at Board meetings. In particular, this would benefit new Board Members who could quickly gain experience of the work of most Board committees. The more frequent board meetings would include a focus on the College's stakeholder groups. It was agreed that the Audit committee should not form part of this pilot. The Board agreed to trial these new arrangements for the remainder of the academic session.

Action: Secretary to the Board to prepare revised calendar of meetings reflecting this change for the remainder of the academic session

5.1 Student Association President Update

Sam Glendinning reported on recent and proposed Student Association activities. Student Association Executive members had attended the National Union of Students conference in November which had been a positive experience for all. The Student Association Development Officer had commenced in post and a joint development day for Dumfries and Stranraer executive members was held in Kirkcudbright.

6 Principal's Update

The Board noted the Principal's update on key activities since the previous meeting which had been distributed.

7 Governance Issues

7.1 Board Recruitment

The Secretary to the Board spoke to the report which had been circulated, indicating that the Selection and Appointments Committee recruitment panel had interviewed seven applicants on 7 January 2015 and was recommending five applicants for full membership of the Board. A further applicant would be interviewed at a later date. The Board approved the Committee's recommendation and the Chair would seek approval to appoint from the Cabinet Secretary for Education.

7.2 Code of Good Governance for Scotland's Colleges

The Secretary to the Board spoke to the report as developed by the College Sector, which had been circulated. The code established standards of good practice for college boards and provided essential information for compliance within the legislative framework set out by the Further and Higher Education acts. The Board discussed the report and agreed to adopt the code.

8 Regional Outcome Agreement 2013/14 Evaluation

The Principal spoke to the report, explaining that the College was required to evaluate its performance against targets in the Regional Outcome Agreement 2013/14. The College had made good progress towards all priority impacts, and had achieved its WSUMs target. The Board noted and approved the report.

9 Student Funding Support

The Principal gave a verbal update on the situation regarding student support funding. Historically colleges had been allocated student funding at the start of the year, with the opportunity to apply for in-year re-distribution to meet any shortfall. Where this redistribution could not be met, colleges met any shortfall from its reserves. Following the ONS reclassification, colleges did not have the reserves to do this, which had resulted in a £14M shortfall across the sector. Colleges Scotland had raised this major strategic issue with the Scottish Funding Council (SFC) who had alerted the Scottish Government. The new Cabinet Secretary for Education had called for an explanation and thorough review of the process. In the meantime, the Scottish Funding Council had recently contacted colleges advising of a possible solution.

Hugh Carr joined the meeting at this point

10 Curriculum Review and Potential Redundancies

The Director of Organisational Development and Facilities spoke to the report, giving details of a change in business needs following the Curriculum Review for 2015-16, resulting in a reduction in staff hours in Hair and Beauty and Construction. Following discussion the Board approved the compulsory redundancies and the necessary statutory redundancy payments would apply.

11 Financial Memorandum with Fundable Bodies in the College Sector

A copy of the recently published Financial Memorandum had been distributed to Members. The Vice Principal (Corporate Services and Governance) advised that the Financial Memorandum sets out the formal relationship between the Scottish Funding Council (SFC) and the college sector, and the requirements with which colleges must comply as a term and condition of grant from the Scottish Funding Council. Compliance with this Financial Memorandum rests with the Board and was effective from 1 December 2014.

12 Key Performance Indicators

The Vice Principal (Corporate Services and Governance) spoke to the report which had been distributed. She advised that in respect of WSUMs the College was where it expected to be at this time of the year and was confident of reaching its target by July. The retention and outcome figures were as at 12 January 2015, compared to full years previously and again it was expected that the targets would be reached. In terms of Finance, the College was on target to achieve a very small surplus by the end of March. The position was

being closely monitored to enable any surplus to be transferred to the Scottish Colleges Foundation prior to 31 March 2015. Members noted the report.

13 College Self Evaluation Report

The Vice Principal (Corporate Services and Governance) spoke to the report which had been distributed, explaining that the Scottish Funding Council require each college to provide an annual report, endorsed by the governing body, describing the impact, nature and outcomes of college led quality review activities as well as reviews by professional, statutory and regulatory bodies which had take place in the previous academic year, including commentary on actions to be taken to address any issues identified. The timing of meetings this year due to the reclassification of colleges by the Office for National Statistics (ONS) had meant that the report was considered and approved by the Learning and Teaching Committee on 16 December 2014 and signed on behalf of the Board by the Chair for submission to SFC by the due date. The Board noted and approved the report.

14 Strategic Risk Register

The Vice Principal (Corporate Services and Governance) spoke to the report which had been distributed. She advised of one additional risk, Item 14, regarding the inability of the College to increase its Broadband width, which was of vital importance within a rural setting to enable the College to continue offering a wide range of online courses and increasing demands to use of mobile devices. The Vice Principal (Corporate Services and Governance) would take the opportunity to raise this with appropriate colleagues at the Scottish Funding Council. The Principal advised that she would be discussing the situation with Crichton partners with a view to encouraging broadband providers into the Region. The Board agreed the additional risk, and approved the Strategic Risk Register.

15 Hospitality Development

The Principal reported that the project was nearing practical completion on internal works, with work on the roof to be completed over the following two weeks. The final account would be received at the end of January but would not be settled until the snagging list was completed. All indications were that the project would come in under budget, and this would be monitored closely so that any surplus funds could be transferred to Scottish Colleges Foundation before the end of March. Members noted the position.

16 SRUC Memorandum of Understanding

The Principal spoke to the report which had been circulated, confirming the memorandum of understanding between the College and Scotland's Rural College as means of promoting academic collaboration and organisation co-operation. Members noted the Memorandum of Understanding.

17 Any Other Business

None

18 Date and Time of Next Meeting

Due to the agreed changes to frequency of meetings the date of the next meeting would be advised shortly.

Action: Secretary to the Board to circulate revised calendar of meetings.

Board of Management

Financial Report for the Period to 31 January 2015

1. Changes to Financial Reporting and Budgeting

The budget planning priorities for Dumfries and Galloway College following re-classification of the Scottish College Sector within Central Government is now to achieve a balanced budget each year, manage cash balances throughout the year, and maintain broadly the same level of working capital year on year.

As SFC have now agreed to HM Treasury's offer of derogation to change the College accounting year-end from 31 March to 31 July, which is effective from 2015. The current accounting period has been extended and will be a 16 month period ending on 31 July 2015.

Changes already implemented to the College financial reporting calendar and cycle will continue, including submitting monthly cash flow projections to SFC in order to draw down grant income, and periodic budget returns to allow the SFC to monitor budgets within each financial year. As the budget reporting period to SFC will remain as 31 March, and the out-turn at 31 March will require to show a balanced budget, the budget and forecast figures presented in this report relate to the 12 month period to 31 March 2015. An income and expenditure budget for the additional period April to July 2015 has now been drafted for approval, with the aim of showing a balanced net out-turn for the period.

The College systems, processes and procedures will require to ensure that the information necessary to forecast accurately is available, and that reporting mechanisms are in place to highlight any variances for reporting and action. Planning expenditure in advance, prioritising developments, flexibility to make changes and re-align expenditure plans, will all be essential going forward in order to meet targets and comply with the budgeting requirements of Public Sector bodies.

2. Summary of Results

Income and expenditure for the period April 2014 to January 2015 and the forecast for the remaining two months to March 2015 is summarised as follows:

	PERIODS 1 TO 10			FORECAST TO MARCH 2015		
	Actual	Budget	Variance	Forecast	Budget	Variance
	£000	£000	£000	£000	£000	£000
Income	<u>10,297</u>	<u>10,238</u>	<u>59</u>	<u>12,311</u>	<u>12,253</u>	<u>58</u>
Staffing						
Costs	6,130	6,133	<u>3</u>	7,462	7,465	<u>3</u>
Other Costs	3,551	3,475	<u>-76</u>	4,829	4,753	<u>-76</u>
Total						
Expenditure	<u>9,681</u>	<u>9,608</u>	<u>73</u>	<u>12,291</u>	<u>12,218</u>	<u>73</u>
Operating						
Surplus/-						
Deficit	<u>616</u>	<u>630</u>	<u>-14</u>	<u>20</u>	<u>35</u>	<u>-15</u>

Board of Management

Overall income and expenditure for the ten months to January 2015 show an increase in costs from budget. The budgets are subject to regular review, and plans for the remaining period has not highlighted any areas which would adversely affect the out-turn at 31 March 2015. The budget and forecasts will continue to be monitored closely and expenditure plans are being revised in order to ensure that a break-even position is achieved for the budget cut-off at 31 March 2015.

3. Key Financial Performance Indicators

The Key Performance Indicators which require to be monitored will be updated and targets set following completion of the revised Financial Memorandum, and are likely to include monitoring of the forecast out-turn for the year, and working capital.

KPI's for these areas at 31 January 2015 are set out below:

Income and Expenditure:

Operating Surplus/ deficit as % of income	0.16%
Non-SFC income as % of total income	20.95%

Balance Sheet:

Current Assets: Current liabilities	2.58
Days cash to annual expenditure (excluding depreciation)	54

4. Budget changes

The budget for the period has been updated to reflect revised estimates for income and expenditure. Forecast 'partnership' income has been reduced to reflect the revised estimates for the period, and further approved grant income for the Student Association Project has been reflected in the forecasts to 31 March.

The outcome of the Student Support 'In-year Re-distribution' has been reflected in the budget forecasts. SFC have agreed to provide additional Bursary funding of £28,120 which represents 20% of the total funds requested, and a request for further SAAS grant of £13,000 for HE discretionary funds has been met in full.

Actual payroll costs to 31 March are expected to be lower than the budget remaining, and this is being monitored to ensure that any surplus budget is identified, and used to ensure the net out-turn at 31 March is within planned parameters.

The budget for 'contingencies' which was set aside at the start of the financial year is unlikely to be required in the next two months up to 31 March, and the funds have been transferred in order to meet requests which have been approved as part of the College Operational Plans for 2015/16.

Board of Management

5. Cash Flow

The overall cash balances decreased in January 2015. The balance of SFC capital and capital maintenance grants have been claimed with the January SFC grant, as the main project is due to be completed before the end of March 2015.

SFC core grant of £6,121,000 has been requested for the period to date, which represents 72% of the allocation of cash funding for the 12 months to 31 March 2015.

6. Results for the period April to January 2015:

Income

SFC & Other grant income – under the new budget requirements, grant funding from SFC requires to be drawn only when required, based on the level of unrestricted cash reserves and planned expenditure. The budget profile for accounting purposes has been revised to show core grant released evenly over the year to 31 March 2015 as the grant is earned, with a corresponding debtor reflected in the balance sheet.

The demand for student support has increased during the current academic year. Additional funds of £140,600 were requested from SFC as part of the SFC In-Year Redistribution request to meet the increased bursary and childcare commitments but only £28,120 has been provided, which represents 20% of the total request.

Fee income – Fees for SAAS funded students are higher than the budget forecasts. CTS fees are expected to increase during the period to March 2015.

Other income – bank interest and sales of materials for the period have been higher than forecast.

Expenditure

Salary costs – overall salary costs remained lower than expected for the ten month period to January. Funds which were originally set aside to meet additional costs for sickness cover have not been fully used, and the forecasts to 31 March are being assessed.

Other costs – property costs for the period to date include an adjustment of £75,000 for increased future Lennartz payments. This will be revised and calculations updated to account for the extended accounting period to July 2015.

The overall out-turn to 31 March 2015 is expected to show a small surplus.

Hospitality developments

The overall costs for the hospitality developments, including the main construction contract as well as the agencies, remain within the overall budget. The cash flow profile for expenditure and SFC grant claims have been updated, but are expected to be completed before 31 March 2015.

Student Support

The demand for student support has increased during the current academic year. The overall numbers of applications are in line with 2013/14, but included in the overall applications is a reduction in EMA costs, with an increase in FE bursary and childcare costs.

Board of Management

The funding available for Childcare grants for the period up to 31 March has been fully utilised up to 31 January, and costs for February and March are currently being met from Bursary funds.

As noted above, the In-Year Redistribution request for additional funds from SFC to meet the increased commitments only provided 20% of the total request, which leaves a potential shortfall of £112,000. A separate report with the SFC proposals has been prepared for the Board to consider.

7. Balance Sheet

The balance sheet movement for the period between December and January is as follows:

	January '15	December '14	Movement
	£000	£000	£000
Fixed Assets	40,930	40,653	277
Current Assets	3,531	3,621	-90
Current Liabilities	(1,663)	(1,621)	-42
Long Term Liabilities	(948)	(1,040)	92
Provisions	(750)	(750)	0
Pension Liability	(3,928)	(3,928)	0
Net Assets	37,172	36,935	237
Deferred Capital Grants	(28,214)	(28,351)	137
Revaluation Reserve	(6,449)	(6,465)	16
I&E Account	(2,509)	(2,119)	-390
	(37,172)	(36,935)	-237
Cash at Bank	1,649	1,601	48
Net current assets	1,868	2,000	-132

Fixed Assets – the additions to fixed assets includes the expenditure on Hospitality developments during the period, net of depreciation charges on the College buildings and other fixed assets.

Current Assets and Liabilities – overall bank balances have decreased by £132,000 from December. The corresponding debtor for core grant funding earned to 31 January amounted to £821,000.

8 Recommendation

Members are asked to note the position.

Board of Management

FORECAST FINANCIAL OUT-TURN TO 31 MARCH 2015

1. Purpose of Report

The purpose of this report is to provide an update on the forecast financial and budget out-turn for the 12 month period up to 31st March 2015.

2. Background to Report

The ONS reclassification has impacted on how the Scottish Funding Council and the College sector monitors its budgets in order to comply with the Scottish Public Finance Manual, and is effective from 1 April 2014.

Although the College financial year end has changed to 31 July with effect from the period ended 31 July 2015, the College will continue to report to the Scottish Funding Council for budget periods up to 31st March each year in order to comply with Scottish Government budget requirements. The College will also require to meet budget targets for the period up to 31 March and comply with the requirements of HM Treasury's Consolidated Budget Guidance.

3. Operating Results

Management accounts have been prepared for the College for the period from 1 April 2014, which have included forecast income and expenditure up to 31 March 2015. The forecast out-turn figures include assumptions and estimates for some areas of income and expenditure, including assumptions on costs for the hospitality development, student support commitments, and income from commercial activities and other contracts. In addition, some budget cover is still in place to meet additional staffing costs for sickness cover up to 31st March.

The estimates and projections up to 31 March will be refined and re-assessed in the coming weeks, but in order to plan ahead and ensure the College meets its budget target for the period, an assessment of budget requirements for the remaining period to 31 March has been made and expenditure plans established to ensure any surplus budget and contingencies are utilised before the 31 March cut-off.

In addition, any transfers of commercial surpluses to the Scottish Colleges Foundation will require to be completed before 31 March in order to comply with Scottish Government budget requirements.

4. Utilisation of Depreciation Funds

The differences between the budget treatment and accounting treatment of depreciation costs following the ONS reclassification of the college sector have been highlighted during the training events which have taken place for college sector finance staff over the last 12 months. Under the new budget rules, SFC have provided the college with an annual budget which requires the college to spend the full amount of the cash budget in order to meet the Resource Department Expenditure Limits. Depreciation is included in the financial statements as a cost, but as the charge does not incur any cash outflow, a net break-even income and expenditure out-turn for external reporting purposes would represent an underspend for budget reporting purposes. SFC have highlighted that any cash budget underspend would represent a build-up of cash reserves which would effectively be frozen, and could not be used in future years.

Board of Management

The 'net depreciation' – which equates to total depreciation charges less release of capital grants – for Dumfries and Galloway College for the 12 months to 31 March 2015 amounts to £392,000.

The Scottish Government, in discussion with the Scottish Funding Council and Colleges Scotland, has agreed that funding for the budget year 2014/15 previously earmarked for depreciation can be released for the following purposes within college sector budgets:

- Student support;
- Specific regional pressures; and
- Repayment of loan capital.

The College has already considered that any early repayment of Lennartz liabilities would not represent value for money. However, the projected overspend of student support funds could be offset against the net depreciation budget, and the expenditure incurred on adjacencies and other room changes arising from the Hospitality development could potentially be allocated against this budget.

The Scottish Funding Council has advised that any deficit in the Scottish College sector 2014/15 Income and Expenditure Accounts do not impact on any college's financial sustainability as the additional expenditure giving rise to the deficit has been met from government grant, and is being spent in accordance with government accounting and budgeting rules. A financial out-turn showing a deficit is likely to be college-wide for the 2014/15 year due to this technical accounting and budgeting rule, and both the Scottish Funding Council and the Scottish Government have indicated that they will adjust for such deficits when assessing and reviewing colleges' financial health.

5. Net Out-Turn to 31 March 2015

A review of the changes to budget forecasts and additional income now anticipated for the period up to 31st March 2015 is summarised in the Appendix to this report.

Further advice is awaited from the Scottish Funding Council on the proposed use of the depreciation budget funds. As the net budget out-turn will be more certain as the budget cut-off approaches, the forecasts will be updated on a regular basis to highlight any changes and any budget available to transfer to the Scottish Colleges Foundation will be re-assessed.

6. Recommendation

Members are asked to note the potential revisions to the forecasts to 31st March 2015 and the effect on the income and expenditure account on the proposed utilisation of depreciation funds.

Board of Management

FINANCIAL REPORTING AND DEPRECIATION

1. Purpose of Report

The purpose of this report is to highlight the differences between the two sets of financial reporting rules for depreciation charges which the College must comply with following Office for National Statistics reclassification of the College sector.

2. External Financial Reporting

The College currently is required to comply with UK Generally Accepted Accounting practice (UK GAAP) for external financial reporting. Specific requirements for the college sector are also set out in the Statement of Recommended Practice (SORP) 'Accounting for further and higher education'.

UK GAAP and the SORP set out detailed rules on how transactions and balances require to be measured and reported for accounting purposes, in order to ensure that the financial statements give a true and fair view of the financial position and income and expenditure for the period reported, and ensure consistency in accounting treatment and disclosures for reporting between entities.

UK GAAP defines tangible fixed assets as property, plant and equipment which are held for use in the production and supply of goods or services, and are expected to be used for more than one accounting period. In order to comply with the requirements of UK GAAP, fixed assets should be included the balance sheet at cost or revaluation, and depreciation should be applied over the estimated useful life of the assets.

The College has a mixture of fixed assets including land and buildings, vehicles and some items of equipment.

Depreciation for each period is recognised as a cost in the income and expenditure account in the financial statements, and the cost should reflect the pattern of consumption of the assets future economic benefits.

The cash flow transactions for fixed assets are very different from the accounting transactions. The whole cash outflow is incurred initially when the asset is purchased, but the depreciation costs are reflected in the accounts annually over the expected useful life of the asset, which can be up to 50 years for buildings. This cash flow difference creates an imbalance each year between income and expenditure for accounting purposes and annual cash flow movements.

Grants received for the cost of fixed assets are treated in a similar way under the current SORP, and released as income over the expected useful life of the asset and offset depreciation costs.

Accounting adjustments for property revaluations have an impact on depreciation costs, as any increase in value will result in an increased depreciation charge for accounts purposes.

3. Budgeting and Budget Reporting

The budget reporting framework for the college sector has changed significantly following the ONS reclassification. With effect from 1st April 2014, the college must comply with the requirements of HM Treasury's Consolidated Budget Guidance. The Budgeting guidance sets out the requirements in order to comply with the annual budget for government finances, and details the rules for the budget treatment of certain types of income, expenditure and other items.

Board of Management

The ONS training sessions through the College Finance network have highlighted a difference between the budget treatment and accounting treatment of depreciation costs. The SFC has provided the college with an annual budget which is split between capital and revenue (Resource) limits. The budget rules require the college to spend the full amount of the cash budget in order to meet the Resource Department Expenditure Limits (RDEL), which includes a cash grant to meet depreciation costs. As the depreciation is already included in the financial statements as a cost, but does not include any cash outflow, any additional revenue spend will result in a net deficit for external reporting purposes.

HM Treasury have offered derogation to colleges to allow them to have a 31 July accounting year-end. However, the sector is still subject to government budgetary controls at 31 March each year. As a result of this, the College will need to balance its resource budget at 31 March each year, and provide returns to SFC that disclose the 31 March budget out-turn.

The 'net depreciation' – total depreciation less release of capital grants – for Dumfries and Galloway College for the 12 months to 31 March 2015 amounts to £392,000.

4. Recommendation

Members are asked to note the differences between the financial reporting rules for depreciation charges.

Board of Management

CAPITAL EXPENDITURE/TRANSFER TO FOUNDATION

1 Purpose of the Report

The purpose of this report is to seek approval to transfer funds to the Scottish Colleges Foundation by 31 March 2015.

2 Background to the Report

Following the Office for National Statistics (ONS) reclassification of college sector, the College must comply with HM Treasury's Consolidated Budget Guidance and is subject to government budgetary controls at 31 March each year. HM Treasury have offered derogation to colleges to allow them to have a 31 July accounting year-end. However, the sector is still subject to government budgetary controls at 31 March each year. As a result of this, the College will need to balance its resource budget at 31 March each year, and provide returns to Scottish Funding Council that disclose the 31 March budget out-turn. Any donations to the Scottish Colleges Foundation must be from available resource budget, and made before 31 March.

3 The Report

In March 2014 the College transferred £2,120,000 to the Scottish Colleges Foundation (D&G College sub-fund). In April 2014 a grant application was made to the SCF for £2m for the hospitality development. This application was approved and £2m was transferred to the College bank account.

The hospitality development is now complete and the overall project costs will be finalised by the end of February 2015. The project is still on schedule to come in on budget. We have been able to allocate some of the project costs against our capital grant from the Scottish Funding Council – both capital and revenue. This means that not all monies received from the Scottish College Foundation is now required for the hospitality development. Not all final invoices have been received so it is difficult to be precise but at the time of writing this report it is likely that we will not use approx £500k of the SCF monies. We would therefore be looking to return up to £500k to the SCF.

In addition to the above, the College is also looking to transfer surplus funds of up to £250k to the Scottish Colleges Foundation. Following ONS reclassification of Colleges the Scottish Funding Council has issued a new Financial Memorandum with Fundable Bodies in the College Sector. It is a condition of grant from the Scottish Funding Council that colleges comply with this financial memorandum. The Financial memorandum clearly states that colleges can donate surplus funds to arms-length foundation. The College has received guidance that the Scottish Funding Council grant monies cannot be transferred to arms-length foundations. However any commercial income generated by the college can be treated as surplus therefore can be transferred. It is difficult to be precise on the amount of surplus we may have by the end of March. However, at this time there is a possibility that commercial income up to March could be around £250k.

4 Recommendation

Members are asked to approve and make recommendation to the Board to transfer funds to the Scottish College Foundation (D&G College sub fund) up to the value of £750K before 31 March 2015 in line with Scottish Funding Council guidance.

Board of Management

APRIL 2015 TO JULY 2015 BUDGET

1. Purpose of Report

The purpose of this report is to review and approve the proposed budget for the four-month period April 2015 to July 2015.

2. Report

The College budget for 2014/15 related to the period April 2014 to March 2015 and corresponded with the planned financial year-end. The College financial year end has changed to 31 July with effect from 31 July 2015, and the financial statements for 2015 will cover the 16 month period from April 2014 to July 2015. A budget is now required for the four month period April 2015 to July 2015.

The College will continue to report to the Scottish Funding Council for budget periods up to 31 March each year in order to comply with the requirements of Scottish Government reporting, but the overall annual budget process for the College budget has reverted back to align with the academic year. The 2015/16 budget will cover the 12 month period August 2015 to July 2016.

The annual budget setting process has started earlier than previously, in order to accommodate the new budget reporting and planning regime. The timing of expenditure has become important in order to comply with the new budget regime, and forward planning is now essential. Budget forecasting and re-forecasting for changes arising will be necessary on an ongoing basis, in order to meet budget targets and re-align plans where necessary.

A review of budget requirements for the four-month period April to July 2015, and completion of the 2014/15 academic year, was discussed with all College budget holders at the same time as carrying out a detailed assessment of the requirements for the 2015/16 budget.

The Scottish Funding Council have already provided allocations of funding for the period for core grant, capital maintenance, student support, and funding for projects up to 31 July 2015 and these allocations have been applied to the budget figures.

Operational Plan requests for 2015/16 were agreed and prioritised to ensure new items of equipment are available and facilities developed to meet the requirements of the curriculum plan, and to ensure budget is available to meet these costs. An assessment of potential budget available in the period up to July 2015 was assessed in order to ensure priority works are carried out and equipment is available in time for the start of the new term.

The budget for salaries is based on the current staffing levels, and taking into account known changes to contracts and other planned changes. Some additional budget has been set aside in order to meet potential costs for restructuring.

Contingency balances have been set aside within the salaries and general budgets to ensure that budget is available to meet any reductions from forecast income or unforeseen costs. The contingencies will be released before the end of the year if the budget is not required.

Board of Management

The draft budget presented does not include any income or expenditure for student support funds. As the student support funding is ring-fenced, it can only be used in accordance with rules set by the Scottish Funding Council and the Student Awards Agency for Scotland. Projections for the period have been based on current commitments for student support and the allocations of funding available, and indicate that sufficient student support funds will be available to meet commitments for the period.

3 Key Assumptions

The key assumptions inherent within the draft budget are as follows:

Grant Allocation – Scottish Funding Council have already provided funding allocations for the period April to July 2015 including core grant, student support, and project funding. No capital maintenance budget has been provided for the period;

Income – income has been assessed based on known income for the remainder of the academic year, as well as estimates for some partnership working, and levels of commercial income based on delivery plans for the period;

Salaries – the budgeted payroll figures have been based on the current staffing levels, taking into account known changes to contracts. A provision for a pay award of 1% has been applied for the period. A small provision has also been included in the budget to cover additional staffing cover as a result of sickness and budget has been set aside to cover any costs arising from staff re-structuring due to changing curriculum needs;

Property costs – costs for ongoing estates maintenance and repairs have been assessed, and budget has been set aside to cover core costs;

Operational Plan – some budget has been set-aside to meet 2015/16 operational plan developments which were assessed as priority areas for the start of the new term;

Assets – depreciation and the corresponding release of deferred capital grants have been calculated based on the fixed assets at 31 December 2014, and includes an additional budget for estimated depreciation on hospitality developments. Any further fixed asset additions will require to be fully grant funded;

Contingency – a small budget for a general contingency has been set aside in order to even-out any unforeseen additional costs or potential reduction in income;

Student Support Funding – Scottish Funding Council have advised on the level of student support funding allocated for the period. Projections based on the current awards made to students indicate that sufficient budget will be available for the period up to July 2015.

Comparatives – the comparative figures relate to the forecast out-turn for the 12 month period April 2014 to March 2015. The budgets are not directly comparable as a result, but provide an indication of the overall changes to income and costs for the final four months of the current academic year.

4 Summary

The draft budget presented to the Board shows a small operating surplus for the four month period to July 2015.

5 Recommendation

Members are requested to approve the budget for the period April 2015 to July 2015.

Board of Management

APPENDIX

Budget Summary:	Forecast for the period April 2014 to March 2015	Budget for the period April 2015 to July 2015
	£000's	£000's
Income		
Grant Income	8,873	2,789
Capital maintenance grant	379	-
Release of deferred capital grant	789	286
Fee Income	1,606	616
Refectory	355	131
Other Income	88	15
Total Income	12,090	3,838
Expenditure		
Salaries	7,310	2,448
Restructuring costs	-	60
Total Staffing Costs	7,310	2,508
Property Costs	907	229
Operational plan expenditure	379	80
Supplies and Services	594	148
Other Employee Costs	152	41
Telephones and Computing	555	133
Transport	50	17
Refectory	378	32
Other	261	84
Registration costs	214	71
Marketing	93	32
Depreciation	1,177	416
General Contingency	-	35
Total Other Costs	4,760	1,317
Total Expenditure	12,070	3,825
Operating Surplus	20	13
Release of Revaluation Reserve	198	66
Historical Cost Surplus	218	79

Board of Management

APRIL 2015 TO JULY 2015 BUDGET

1. Purpose of Report

The purpose of this report is to review and approve the proposed budget for the four-month period April 2015 to July 2015.

2. Report

The College budget for 2014/15 related to the period April 2014 to March 2015 and corresponded with the planned financial year-end. The College financial year end has changed to 31 July with effect from 31 July 2015, and the financial statements for 2015 will cover the 16 month period from April 2014 to July 2015. A budget is now required for the four month period April 2015 to July 2015.

The College will continue to report to the Scottish Funding Council for budget periods up to 31 March each year in order to comply with the requirements of Scottish Government reporting, but the overall annual budget process for the College budget has reverted back to align with the academic year. The 2015/16 budget will cover the 12 month period August 2015 to July 2016.

The annual budget setting process has started earlier than previously, in order to accommodate the new budget reporting and planning regime. The timing of expenditure has become important in order to comply with the new budget regime, and forward planning is now essential. Budget forecasting and re-forecasting for changes arising will be necessary on an ongoing basis, in order to meet budget targets and re-align plans where necessary.

A review of budget requirements for the four-month period April to July 2015, and completion of the 2014/15 academic year, was discussed with all College budget holders at the same time as carrying out a detailed assessment of the requirements for the 2015/16 budget.

The Scottish Funding Council have already provided allocations of funding for the period for core grant, capital maintenance, student support, and funding for projects up to 31 July 2015 and these allocations have been applied to the budget figures.

Operational Plan requests for 2015/16 were agreed and prioritised to ensure new items of equipment are available and facilities developed to meet the requirements of the curriculum plan, and to ensure budget is available to meet these costs. An assessment of potential budget available in the period up to July 2015 was assessed in order to ensure priority works are carried out and equipment is available in time for the start of the new term.

The budget for salaries is based on the current staffing levels, and taking into account known changes to contracts and other planned changes. Some additional budget has been set aside in order to meet potential costs for restructuring.

Contingency balances have been set aside within the salaries and general budgets to ensure that budget is available to meet any reductions from forecast income or unforeseen costs. The contingencies will be released before the end of the year if the budget is not required.

Board of Management

The draft budget presented does not include any income or expenditure for student support funds. As the student support funding is ring-fenced, it can only be used in accordance with rules set by the Scottish Funding Council and the Student Awards Agency for Scotland. Projections for the period have been based on current commitments for student support and the allocations of funding available, and indicate that sufficient student support funds will be available to meet commitments for the period.

3 Key Assumptions

The key assumptions inherent within the draft budget are as follows:

Grant Allocation – Scottish Funding Council have already provided funding allocations for the period April to July 2015 including core grant, student support, and project funding. No capital maintenance budget has been provided for the period;

Income – income has been assessed based on known income for the remainder of the academic year, as well as estimates for some partnership working, and levels of commercial income based on delivery plans for the period;

Salaries – the budgeted payroll figures have been based on the current staffing levels, taking into account known changes to contracts. A provision for a pay award of 1% has been applied for the period. A small provision has also been included in the budget to cover additional staffing cover as a result of sickness and budget has been set aside to cover any costs arising from staff re-structuring due to changing curriculum needs;

Property costs – costs for ongoing estates maintenance and repairs have been assessed, and budget has been set aside to cover core costs;

Operational Plan – some budget has been set-aside to meet 2015/16 operational plan developments which were assessed as priority areas for the start of the new term;

Assets – depreciation and the corresponding release of deferred capital grants have been calculated based on the fixed assets at 31 December 2014, and includes an additional budget for estimated depreciation on hospitality developments. Any further fixed asset additions will require to be fully grant funded;

Contingency – a small budget for a general contingency has been set aside in order to even-out any unforeseen additional costs or potential reduction in income;

Student Support Funding – Scottish Funding Council have advised on the level of student support funding allocated for the period. Projections based on the current awards made to students indicate that sufficient budget will be available for the period up to July 2015.

Comparatives – the comparative figures relate to the forecast out-turn for the 12 month period April 2014 to March 2015. The budgets are not directly comparable as a result, but provide an indication of the overall changes to income and costs for the final four months of the current academic year.

4 Summary

The draft budget presented to the Board shows a small operating surplus for the four month period to July 2015.

5 Recommendation

Members are requested to approve the budget for the period April 2015 to July 2015.

Board of Management

APPENDIX

Budget Summary:	Forecast for the period April 2014 to March 2015	Budget for the period April 2015 to July 2015
	£000's	£000's
Income		
Grant Income	8,873	2,789
Capital maintenance grant	379	-
Release of deferred capital grant	789	286
Fee Income	1,606	616
Refectory	355	131
Other Income	88	15
Total Income	12,090	3,838
Expenditure		
Salaries	7,310	2,448
Restructuring costs	-	60
Total Staffing Costs	7,310	2,508
Property Costs	907	229
Operational plan expenditure	379	80
Supplies and Services	594	148
Other Employee Costs	152	41
Telephones and Computing	555	133
Transport	50	17
Refectory	378	32
Other	261	84
Registration costs	214	71
Marketing	93	32
Depreciation	1,177	416
General Contingency	-	35
Total Other Costs	4,760	1,317
Total Expenditure	12,070	3,825
Operating Surplus	20	13
Release of Revaluation Reserve	198	66
Historical Cost Surplus	218	79



SFC Announcement

Outcome Agreements for colleges – indicative funding decisions for AY 2015-16

Issue date: 30 January 2015

Reference: SFC/AN/02/2015

Summary: To provide colleges with the Scottish Funding Council's initial decisions on funding Outcome Agreements for academic year 2015-16.

FAO: Regional Chairs, Principals and Directors of Scotland's colleges

Further information: **Contact:** Martin Smith
Job title: Deputy Director of Funding Policy
Department: Funding Policy
Tel: 0131 313 6528
Email: msmith@sfc.ac.uk

Contact: Kelly Parry
Job title: Funding Policy Officer
Department: Funding Policy
Tel: 0131 313 6547
Email: kparry@sfc.ac.uk



Scottish Funding Council
Promoting further and higher education

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD
T 0131 313 6500
F 0131 313 6501
www.sfc.ac.uk

Outcome Agreements for colleges – indicative funding decisions for AY 2015-16

Purpose

1. I am writing to provide you with the Scottish Funding Council's (SFC) initial decisions on funding Outcome Agreements for academic year (AY) 2015-16. The figures are indicative only and cannot be finalised until the budget bill has been agreed by the Scottish Parliament and we have finalised and agreed your Outcome Agreement, which we expect to be in April. The purpose of providing these indicative figures is to help you plan your provision and for us to move towards your finalised Outcome Agreement for AY 2015-16.
2. The decisions on funding are in line with the Ministerial Letter of Guidance of [31 July 2014](#). They support SFC's strategy, in particular the extent to which what has been planned in the emerging draft Outcome Agreements meet the national aspirations identified by SFC. They also take account of performance against the AY 2013-14 and AY 2014-15 Outcome Agreements where that is likely to affect the amount or type of funding we should allocate for AY 2015-16.

Overall available funds for the college sector

3. For AY 2015-16 we will allocate around £530.3 million. This is the same as our financial year (FY) budget for 2015-16. We have used this to set an AY budget for 2015-16 as the Scottish Government has not yet published plans for the financial years beyond 2015-16. Our AY budget is an indicative figure. The FY 2015-16 figure will be confirmed through the passing of the Budget Bill by the Scottish Parliament by March 2015. The £530.3 million represents the delivery of the Scottish Government's commitment to increase college resource funding to £525.7 million and includes funds that are ring-fenced for HE Childcare (£3.9 million) and English for Speakers of Other Languages (ESOL) (£0.7 million). These funds were previously transferred to the SFC in-year, but have now been baselined into the SFC's budget at the start of the financial year. We will continue the current criteria and arrangements for the Employability Fund.
4. The decisions on funding are in line with the Ministerial Letter of Guidance of 31 July 2014. The Government's main priorities for the college sector continue to be:
 - Maintaining student numbers
 - Delivering Opportunities for All
 - Increasing youth employment

5. The scale of the Government's ambition for increasing youth employment is signalled in Developing the Young Workforce – Scotland's Youth employment Strategy. The Government's national target for a 40% reduction in youth unemployment by 2021 would establish Scotland as one of the top performing European youth labour markets.
6. The strategy also highlights the need to make progress on the issue of gender in general college provision, with a specific recommendation that the new senior phase pathways be designed in a way that encourages more gender balance across occupations.
7. The overall budget breakdown is set-out in Table 1. In addition to revenue funds there is £25.5 million of capital and maintenance funding, £5.5 million of which is ring fenced for specific project investment.

College funding allocations by region

8. We have been working with the college sector over the past few years to develop a new system to allocate student places to regions. The number of student places is informed by our demographic places model, historical performance against activity targets, regional skills assessment and Outcome Agreement negotiations.
9. We have also developed a new funding allocation and pricing model in partnership with the sector that is easier to understand, responsive to planned changes in curriculum delivery and aligns with our demographic model to ensure colleges are paid to deliver the number of places required for their region.
10. We have been parallel running these systems with three regions during AY 2014-15 and will now roll out this method across Scotland from AY 2015-16, in line with our Letter of Guidance.
11. As a result of simplifying our pricing and measurement system (WSUMs to Credits) there would be small changes to funding allocations. However, we have worked closely with the college sector to provide stability and have agreed that we would transition any funding changes and ensure that in AY 2015-16 the effect is neutral. That is, no college will gain or lose as a result of the move in AY 2015-16 from WSUMs to Credits.
12. We have used our demographic model together with evidence from college regions on their performance of meeting existing targets and discussion about their own assessment of need and capacity for growth. The result of this is that we are proposing to redistribute a small amount of activity from the Edinburgh, Fife, North East and West College regions to Borders, Dumfries and Galloway,

Glasgow, Lanarkshire and West Lothian. There are no changes to the activity levels for any other college regions.

13. The Ministerial Letter of Guidance asks the SFC to ensure that no region meeting its targets should lose out by more than 1% for AY 2015-16. The table below shows the percentage change in regional teaching funding from AY 2014-15 to AY 2015-16 as a result of the new credit method and demographic changes.

Region	Change in funding
Borders, Dumfries & Galloway, Glasgow, Lanarkshire, West Lothian	+1%
Ayrshire, Dundee & Angus, Forth Valley, Highlands & Islands, SRUC, Newbattle, SMO	0%
North East, Edinburgh & Lothians, Fife, West	-1%

Student support

14. Consistent with the Ministerial Letter of Guidance to ‘deliver inflationary increases to college bursaries and childcare support’, we have uprated the bursary rates and scales by 1.6% and the overall childcare funding by 1.6% and this is reflected in the indicative student support budget figure set out in Table 1.
15. The distribution of this budget figure for the initial allocation of student support funds for AY 2015-16 is based on the AY 2014-15 initial allocation plus the best estimate of in-year funds which we received from colleges this month. Additionally, we have advised colleges that they can use funds previously set aside for depreciation to provide additional student support for AY 2014-15. We have provided details of this in [SFC/AN/03/2015](#). We are considering the implications of this for AY 2015-16 and will look to agree a detailed way forward with the Scottish Government, Colleges Scotland and the National Union of Students (Scotland) (NUS).
16. In the initial allocation we have also redistributed student support funds in line with the changes in provision set-out in paragraph 12 and the table above.
17. We have not at this point split the funds between bursary, childcare and discretionary funds. We intend to do this for April with the final Outcome Agreements.
18. We have been working to review the current system of student support. A review group was established in order to progress this area of work and a

number of recommendations for improvement have been drafted. We are currently considering the recommendations, and will consult Scottish Government colleagues, the sector, Colleges Scotland, the NUS and others on the content of the recommendations as well as implementation, timescales and resources. This area of work has not been concluded in time to influence the indicative distribution of student support as set out in the attached tables and will be considered for 2015-16 onwards.

Strategic funds

19. Our strategic funds budget for AY 2015-16 is around £17 million and is fully committed for the continuation of existing projects, including residual matters relating to mergers, and support for sector-wide agencies and services, for example Education Scotland and the JISC academic network. We have reviewed our approach to how we fund the sector-wide agencies and have Outcome Agreements in place for them. The overall strategic funds budget is also indicative and the final amounts might change. In particular, discussions between the sector, the various agencies and ourselves about the nature, level and funding of cross-sector activities are ongoing and therefore there could be some shifts between total teaching funds and strategic funds between now and our final decisions.

European funds

20. The Ministerial Letter of Guidance asked SFC to *“enhance the range of provision colleges deliver through the 2014-20 European funding programme. You should therefore continue to collaborate with the Scottish Government, colleges, SDS and relevant partners to maximise the funding available”*.
21. SFC and SDS submitted a joint proposal for European Structural Funds for the new programme 2014-20. The proposal was considered under the Scottish Government’s strategic intervention theme of ‘Competitiveness, Innovation and Jobs’. SFC has an indicative allocation for its programme, which including match funding is around £160 million over the six year period, covering the following four areas:
 - Youth Employment Initiative (South West Scotland Colleges)
 - European Social Funds (ESF) (Colleges in Lowland and Uplands Scotland)
 - Highlands & Islands ESF transitional funding
 - Higher level skills (HE articulation and taught postgraduates)
22. The Youth Employment Initiative (YEI) aims to integrate young people not in employment, education or training into the labour market. A specific objective

is to reduce youth unemployment in South West Scotland. The funds need to be spent in the first three years of the new programme and have a higher intervention rate than other ESF funds. Part of the YEI will support college places and address issues that prevent young people taking up these places, for example childcare commitments.

23. The Scottish Government European Operational Programme sets out investment priorities to invest in education and vocational training. Specific objectives have been set to address structural skills gaps and to increase higher level skills to support the development of key growth sectors.
24. For colleges we have set aside match funding of £5.6 million and £2.4 million student support for 2015-16. This £8 million of match funding should lever in an additional £11.5 million (that is £9.3 million YEI and £2.2 million ESF (LUPS)).
25. At this stage we cannot confirm the funding as we need to submit a final application with projected outputs and outcomes. Our Outcome Agreement Managers have been discussing with colleges what can be delivered in addition to core targets. As we expect similar amounts of funding in AY 2016-17 and AY 2017-18 we are working with colleges to plan delivery of core and additional YEI and ESF provision over the three year period.
26. We have set out in the attached tables indicative funding levels for YEI and ESF. These are subject to confirmation of funding from Scottish Government and, in some cases, further discussion with individual colleges. We aim to confirm these allocations in April when we finalise the Outcome Agreements for AY 2015-16.

Capital and Maintenance funding

27. We intend to allocate £25.5 million infrastructure budget for colleges. Of this, £5.5 million is ring-fenced for specific project investment. We will allocate the balance of funding according to the colleges' share of teaching funding and this will be apportioned between capital and maintenance at individual college level according to their needs.
28. Each college region's formula allocation will be split between Capital and Maintenance based on projected capital expenditure as submitted in their Financial Forecasting Returns. Capital allocations must only be used for items which can be capitalised, including IT. Maintenance allocations must only be used for building maintenance, which is not capitalised.
29. We are beginning to work with the sector to develop a ten-year investment strategy for infrastructure.

Funding tables

30. We have attached the following tables:

- Table 1 – College sector - overall budget for AY 2015-16
- Annex A – Overall funding allocations and credit targets - sector and individual college regions
- Annex B – Breakdown of teaching allocations - sector and individual college regions
- Annex C – Further information and payment timetable for incorporated colleges.

Further information

31. Please contact Martin Smith, Deputy Director, Funding Policy for further information, tel: 0131 313 6528, email: msmith@sfc.ac.uk or Kelly Parry, Funding Policy Officer, tel: 0131 313 6547, email: kparry@sfc.ac.uk.

A handwritten signature in dark ink, reading "Laurence Howells". The signature is written in a cursive, flowing style.

Laurence Howells
Chief Executive

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

College region: Dumfries and Galloway

College regional grouping: Dumfries and Galloway College

The Board of Dumfries and Galloway College submit the Outcome Agreement to the Scottish Funding Council.

This Outcome Agreement reflects the College's commitment to responding to the educational and skills needs within our region, aligned to the Scottish Funding Council's 6 national priorities:

- **Efficient regional structures** - to deliver an efficient regional structure to meet the needs of the Dumfries and Galloway Region;
- **High quality & efficient learning** – to ensure that learner journeys are as short, efficient and effective as possible and that learners experience the highest quality of learning and teaching and achieve successful outcomes
- **Access for people from widest range of backgrounds** - to improve access to further and higher education for people from the widest possible range of backgrounds
- **Right learning in the right place** – to secure coherent provision of further and higher education in Scotland;
- **A developed workforce** - To ensure students are qualified and prepared for work and to improve and adapt the skills of the region's workforce;
- **Sustainable institutions** - to secure, well managed and financially and environmentally sustainable colleges.

Dumfries and Galloway College will receive £8,716,681 (includes European Structural Fund allocation of £302,720) from the Scottish Funding Council for academic year 2015-2016 to plan and deliver further and higher education in the region. In addition, it will receive a capital grant allocation of £380,867.

This funding is on the condition that the College Board signs and commits to deliver the outcomes detailed below.

At Dumfries and Galloway College, we are moving into an exciting stage of our development, building on the successes of our past and driving forward to achieve our aspiration of becoming an 'outstanding college'. We aim to deliver the highest quality learning for our students, to make a positive contribution to the local and national economies and to utilise the expertise of our staff to deliver continuous improvements. 'Vision 2020' is our Strategic Plan for the period 2015-2020 and sets out our vision '*Inspiring our People, Businesses and Communities to be successful*', our mission '*One College, one Team where: Learners come first; the changing needs of the economy are met; and innovation, collaboration and creativity are core to what we do.*'

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

The Outcome Agreement sets out how Dumfries and Galloway College will achieve its strategic outcomes for 2014-17 and beyond.

Dumfries and Galloway College will:

- Provide opportunities to access and progress through education and training at all levels.
- Deliver education and training that is a route to employment and career development and is aligned to local and national economic need.
- Be the first choice for recruitment, training and development of the workforce.
- Enable communities to grow and develop through local education and training.
- Support more businesses to start-up, grow and diversify.
- Enable people to build their independence and confidence in a supportive environment.

Monitoring Performance

The College will regularly measure and monitor progress towards the delivery of the outcomes set out in this agreement and reported to the Board of Management. The College will also produce an annual outcome agreement self evaluation report to be reported to the Board of Management.

Signed by College Region/Date

Signed by SFC/Date

Introduction:

Dumfries and Galloway College is a single college in a single region. Dumfries and Galloway Council is the sole Local Authority for the region. The College is the only general further education college in the region and potential learners and employers are dependent on it to deliver a curriculum which meets their needs. The College delivers further and higher education across a broad range of curriculum areas from access level to SCQF level 8, to approximately 1600 full-time and 3,500 part-time learners through its campus locations in Dumfries and 75 miles away in Stranraer.

The Region of Dumfries and Galloway is situated in the south west of Scotland. It is 77 miles from Glasgow and 79 miles from Edinburgh to the main town of Dumfries. The Region is the third largest in Scotland in terms of land mass but is one of the most sparsely populated with 150,800 people

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

spread over 6,426 square kilometres.

The Region is characterised by small settlements of 4,000 people or less spread across a large area. The largest town is Dumfries (population 31,630), followed by Stranraer (10,290) and Annan (8,430) with no other settlement having more than 4000 people. The population density is 23 persons per sq km (Scotland average: 68). Seven secondary schools have fewer than 500 pupils; 43% of primary schools have fewer than 50. Over a quarter of the population lives more than 30 minutes drive from a large town. The region suffers from a poor transport infrastructure with limited public services. A relatively low proportion of addresses in the region have broadband connections and those that do, have low average speed. The region faces many challenges – the economic situation, (currently it has the lowest average wage in Scotland and economic recovery is slow compared to other regions), rurality, and an ageing population.

Due to the characteristics of the region the College will remain financially challenged. In particular, the need to duplicate a wide range of curriculum and services in Stranraer, impacts both financially and on course viability. Small learner numbers and demand makes it difficult to sustain some provision and some courses require to be structured differently to those in Dumfries, e.g. by combining different levels of learners or using mixed methods of delivery, in order to maintain that area of provision.

The Dumfries and Galloway Regional Transport strategy vision is a transport system that delivers the internal and external connectivity required to sustain and enhance the region's economy and communities whilst minimising the impact of transport on the environment. In a large rural area such as Dumfries and Galloway, this is not easy: the long distances involved, and the fragile nature of many of the region's isolated communities, makes it harder to provide alternatives to private transport than might be the case in many urban areas. Dumfries and Galloway College is a partner of the regional transport group and recognises the travel difficulties students have in attending College. The College addresses this difficulty by provisioning bus services from /to key towns/settlements such as Stranraer, Newton Stewart, Machars, Moffat, Kirkconnel, Sanquhar, Dalbeattie, Annan, Gretna and Lockerbie, which are free to College students

The College's main campus is located in the outskirts of Dumfries adjacent to the Crichton Campus and the Universities of Glasgow and the West of Scotland, Scotland's Rural College (SRUC) and the Open University. The Crichton Campus is a unique collaboration between the College and these universities that brings a broad range of further and higher education to Dumfries. In particular, the Campus brings the choice of university learning to a region that in the past people have had to leave to attend university.

The College relocated to a new building on a site adjacent to the Crichton Campus in 2008, and efficiencies and improved learner experience have been achieved through shared services with the Universities of Glasgow and the West of Scotland in the form of some shared building space and a single, cohesive, library service available to all students from each institution. Dumfries and Galloway College, University of the West of Scotland and University of Glasgow developed a unique shared library service under the banner of 'Crichton Library'. A single library management is used by all institutions where all books, journals and e-books, irrespective of the host institution are included. This offers an enhanced service to students from all

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

institutions, including college students studying at our Stranraer campus. In addition University of West Scotland and University of Glasgow Student Services and Student Association services operate from within the College building and the College refectory, café and shop is available to all staff and students across all institutions as well as the wider community.

The Open University is a partner of the College and we have an agreement whereby they are able to use the College to hold tutorials and, OU students can come in and use IT equipment and library facilities

The Crichton Institute is a new, collaborative venture comprising Crichton campus academic and wider strategic partners. Its purpose is to deliver a programme of knowledge exchange, applied research, evidence synthesis and policy development that will have a transformational influence on the economic, social and cultural regeneration of South-West Scotland and is funded until January 2017 by the Scottish Funding Council. The Institute will be located in the Henry Duncan Building part of the main Dumfries campus.

The College is working closely with Dumfries and Galloway Council on the Dumfries Learning Town project where the Council is taking forward the review of Dumfries schools, in conjunction with the wider regeneration for Dumfries. Dumfries Learning Town is an innovative approach to provide a new model of 3 to 18 education delivery. This new approach will provide a greater range of subjects and learning environments to better meet the needs of all learners. Through new purpose built facilities which are better integrated with further/higher education and businesses, learners will fully benefit from an integrated approach to delivering Curriculum for Excellence together with essential life skills.

Population

The total population of Dumfries and Galloway is 150,800¹ people, representing 2.8% of the resident population of Scotland. There has been a marginal decline of almost 1% in the population since the Census in 2011. The population is forecast to decline by a further 2% to 148,300 by 2022.

Compared with Scotland as a whole, Dumfries and Galloway has a smaller proportion of working age population and children under the age of 10; this is in line with other Scottish rural areas.

The region has a larger proportion of older people, 31%, compared to 23% in Scotland. The region is projected to have the highest proportion of aged 65 and over of any Scottish local authority by 2020. The proportion of young people is in line with the Scottish average up until the age of 16 where there are significantly fewer 16 – 19 years, 14% compared with 18.7% in Scotland. Of the population of young people aged 16-18 leaving school and not moving out of Dumfries and Galloway the majority come to Dumfries and Galloway College and will spend more than one year at the College. The inward migration of people to study further and higher education courses in Dumfries and Galloway is very small.

¹ 1 Source: General Register Office for Scotland; Office for National Statistics

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

Unemployment

Data for the most recent year available (2013²) shows that 8% of the region's population is unemployed. Youth (aged 16-24) unemployment has fallen from a peak of 1,220 in February 2012 to 870 in February 2014.

School-Leaver Destination

Overall the percentage of school leavers entering a positive destination is 91.0%, a fall of 0.4% in comparison to 2012/13. This is 1.3% below the national average of 92.3%. Dumfries and Galloway Council is 30th out of 32 local authorities for the percentage of leavers entering a positive destination. The College is a member of the Dumfries and Galloway Employability Partnership which has developed an action plan to support and raise the percentage of school leavers entering a positive destination.

School-College activity remains a key priority for the College and 447 school pupils (includes Christmas leavers) accessed College provision in session 2013-2014. The College and the Local Authority are developing joint strategies to implement the recommendations from the Commission for Developing Scotland's Young Workforce.

Qualifications

The Region has fewer people with high level qualifications than the Scottish average and a lower proportion of graduates in the workforce (20% compared to the Scottish average of 30%). Over 12% of people in the region have no qualifications. This is above the Scottish average of 11%.

Employment in the region tends to be in lower paid, often seasonal employment and the average income is well below the Scottish average.

As a result, 25% of our programmes are at Access level and do not require any formal entry qualifications. The College has an open entry policy which supports the Dumfries and Galloway Economic Strategy to raise the low skills and qualifications base in the region. The College is proactively engaged with a range of Partners to deliver programmes specifically targeted at the More Choices More Chances cohort. The college is represented on the Regional Employability and Skills Partnership and MCMC Strategy group and plays a key role in addressing employability issues – improving employment skills, maximising opportunities through learning, as well as delivering vocational learning and skills.

Improving attainment will remain a key priority for the College, particularly in curriculum areas with low performance indicators. The College will continue to develop strategies for improvement and increase the percentage of learners of recognised qualifications.

² 2 Dumfries and Galloway Regional Economic Strategy

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

Deprivation

Dumfries and Galloway has 16 data zones in the 20% most deprived in Scotland as identified by the Scottish Index of Multiple Deprivation. There are five areas of relative deprivation in the region: central Dumfries, Northeast Annan, Northwest Dumfries, Upper Nithsdale and Stranraer. The majority of income-deprived (82.4%) and employment-deprived (81.8%) people live out with these areas.

Economic Profile

Output from the South of Scotland (Dumfries and Galloway and Borders Regions) economy (as measured by Gross Value Added) was £3.6bn which amounted to 2.7% of total Scottish output. In economic terms, Dumfries and Galloway is the larger of the two local authorities that make up the South of Scotland, generating more than half (58%) of all output from the area in 2012.

Productivity (as measured by GVA per worker) in the South of Scotland amounted to £30,900 in 2012. This was 71% of the Scottish average.

The College is a member of the Crichton Campus Leadership Group (CCLG) which was created to facilitate a shared understanding of the skills, education and training needs of Dumfries and Galloway, through effective engagement with key stakeholders. It also plays a key role in raising the profile and maximising the impact of collaborative activity on the Crichton campus for the region, and capitalising on the attractiveness of its unique location in the UK and international markets. The CCLG consists of groups that do not normally make strategic plans together, but this is a potential strength of the CCLG – to bring those parties together to give a stronger strategic focus for academic provision and community outreach activities, directly relevant to the social, economic, workforce and cultural needs of communities in Dumfries and Galloway. The College is recognised as a key player in the CCLG. Each party represented on the CCLG has its own strategic aims and objectives. The remit of the CCLG is as follows:

- To advise the academic partners and facilitate a shared understanding of the skills, FE and HE education and training needs of Dumfries and Galloway.
- To support the development of a collaborative strategic vision for provision at the Crichton Campus.
- To advise and support the collaborative provision delivered at the Crichton Campus, ensuring that the academic partners' activities are informed by the social, economic and cultural profile of the region.
- To support the academic partners' dialogue with the Community Planning Partnership on the potential contribution of the Crichton Campus to the economic growth and development of the region.
- To support the academic partners' dialogue and direct interfaces with Dumfries and Galloway Council and to contribute to this in respect of local school provision and its links to activities on the Crichton Campus.
- To advise and review progress on a Consolidated Outcome Agreement for the Crichton Campus

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

Business Profile

There were 13,000 registered businesses in South of Scotland in 2013. This was 500 fewer (-4%) than in 2008, in contrast to growth of 2% across Scotland as a whole. At the UK level, there was a 1% fall in the total number of registered businesses over the period.

The sectoral structure of the business base in the South of Scotland is quite different to Scotland as a whole, with agriculture, forestry & fishing dominating in terms of the share of registered businesses in the region. This is a broad category and includes all farming (arable and pastoral), fishing (saltwater & freshwater) and forestry (logging and tree surgery) activities.

The region has relatively low shares of businesses operating in professional, scientific & technical, information and communication, and finance & insurance compared to Scotland as a whole. These businesses tend to cluster in large cities and more urban areas.

The local economy consists largely of micro businesses employing less than five employees spread across the region. These are mainly in the agriculture, hospitality and tourism, arts and craft, food and forestry sectors. There are very few companies mainly British /International) employing more than 250 peoples with factories or manufacturing plants in the region such as DuPont Teijin based in Dumfries, Pinneys (part of Young's Seafood) based in Annan, the Lockerbie Creamery (part of Arla group) based in Lockerbie, Cochran Engineering based in Annan and Chapelcross (Nuclear Decommissioning Authority) based in Annan. The public sector (NHS, Local Council, Fire and Rescue, Police and Ambulance Service), being the largest employer with 40% of the total workforce.

Priority Outcomes to be delivered in AY 2015/16

Efficient regional structures

Dumfries and Galloway College is the only general further education College in the region and has no plans to federate or merge with any other College. There is one other College in the region (previously known as the Barony College) which delivers land-based curriculum provision but, since August 2012, it is now part of the newly formed Scotland's Rural College (SRUC).

Governance arrangements

Under the terms of Schedule 2 of the Further and Higher Education (Scotland) Act 1992 a Regional College Board must have between 15 and 18 Members in total. Only the Chair and the Principal can continue as members of the Board beyond 2 March 2015 with all other appointments subject to review. A Regional Chair, Brian Johnstone, was appointed by the Minister in March 2014. The Regional Board was given a transitional period of 1 year in which it had to appoint new non executive board members.

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

To comply with the Act a Board recruitment process was implemented in two stages – May 2014 and November 2014. An elections process was also undertaken to identify the staff Members, Student President and Vice President. As a result of the recruitment process recommendations have been submitted to the Scottish Minister December 2014 anticipating the new Regional Board will be established prior to the March 2015 deadline.

The Board has established 6 Committees to help fulfil its role. These include Audit; Finance & General Purposes; Learning & Teaching; Human Resources; Selection & Recruitment and Remuneration. In June 2014 the Board adopted the Model Code of Conduct for Members of Devolved Public Bodies and in January 2015 the Board adopted the Scottish Further Education code of Governance.

The recruitment of members for the Regional Board has been undertaken in-line with the College Sector Board Appointments: 2014 Ministerial Guidance. The Board Membership of 16 comprises of the Chair, the Principal, two student members, two staff members and 10 non-executive members.

Strategic Plan

In August 2015 Dumfries and Galloway College will launch its five-year strategic plan setting out its vision and aspirations. The plan has been developed taking cognisance of: Dumfries and Galloway Single Outcome Agreement, Dumfries and Galloway Economic Strategy, Scottish Government post-16 legislation, Developing the Young Workforce, Opportunities for all and other national and local strategic developments. Staff, students and external stakeholders have been involved in the development of the plan.

- **To implement a 5-year Strategic Plan (Vision 2020) for the period August 2015-July 2020**

Stakeholder Consultation

The College operates within the Community Planning Framework and is represented on a number of key partnership groups including: Community Planning Strategic Partnership, Community Planning Executive Group and, Employability Partnership. An Economic Leadership Group is about to be established and the College will be represented at senior executive level. This will ensure a cohesive approach to the economic development and success of the region and the College's curriculum offering will reflect the skills required of key sectors, as identified in the Regional Skills Assessment provided by Skills Development Scotland.

There is senior College representation on Dumfries Learning Town Executive group as well as the Employability sub-groups and the College will continue to work with partners to progress this development.

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

As a member of the Crichton Campus Leadership Group, the College works with Campus partners to maximise the educational (and other) opportunities the Crichton campus can provide. SRUC are currently undertaking an Options Appraisal in respect of D&G provision and have stated their preferred option is to relocate to the Crichton site. This would present significant opportunities for the 2 colleges to share facilities and services, as well as develop joint curriculum. The two institutions recently signed A Memorandum of Understanding to work together as this development progresses.

The Regional College Chair is driving forward the establishment of an Invest in Young People Partnership in Dumfries and Galloway and, although this will be employer-led, the College will have a key role in taking forward this initiative.

- **To establish an 'Invest in Youth' Partnership**

ICT and Broadband Capacity

The College currently has a 100mb broadband link connected to the JANET network via ClydeNet. ICT is at the heart of our business and extensive investment in infrastructure at the Dumfries Campus, equipment and staff development has taken place over the past five years to maximise the use of digital technology to deliver a flexible curriculum and learner experience. The College plans to upgrade the network infrastructure and network cabling to same level as the Dumfries Campus. The College has introduced online application and enrolment services and, in 2014-15 an online student funding application process was rolled out. We will continue to invest in ICT for the development of services and for learning & teaching but will require greater broadband capacity to do so.

Dumfries and Galloway Council is about to transition to SWAN (as part of Pathfinder South). We have approached the local SWAN implementation team within the Council with a view to also linking into SWAN. These discussions are in early stages but the SWAN team is keen for us to join the project.

- **To continue to work with Dumfries and Galloway Council to secure access to SWAN**
- **To explore the possibility of a shared data centre with Dumfries and Galloway Council**
- **To upgrade/renew network infrastructure and cabling in Stranraer campus Summer 2016**

Developing Dumfries and Galloway College Student Association

The SFC has provided the College with financial support from its College Strategic Fund towards the cost of developing college Students' Associations. The College will use these funds to work with the Students' Association and NUS to develop, implement and support a sustainable Students' Association which ensures equivalence of the student association across the two campuses.

- **To develop an action plan to achieve a sustainable Student Association**

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

Carbon Management

In partnership with the Scottish Funding Council, Resource Efficient Scotland and the Environmental Association for Universities and Colleges (EAUC) we plan to develop a Carbon Management Programme that will assist in the identification of baseline information, which in turn will help develop a carbon footprint for the wider college sector. The College aims to reduce CO2 emissions by 20% by December 2019 from the 2014/15 baseline levels. A climate control action plan detailing annual reductions will be finalised by end of February 2015.

- **To reduce carbon emissions by 20% from 1,313 in 2014 to 1,050 by 2019.**

Shared Services and Collaboration

Dumfries and Galloway College, University of the West of Scotland and University of Glasgow developed a unique shared library service under the banner of 'Crichton Library'. A single library management system was introduced and all books, journals and e-books, irrespective of the host institution are included. This offers an enhanced service to students from all institutions, including college students studying in our Stranraer campus. The Open University is a partner of the College and we have an agreement whereby they are able to use the College to hold tutorials, OU students can come in and use IT equipment and library facilities. In addition UWS and UoG Student Services and Student Association services operate from within the College building and the College refectory, café and shop are available to all staff and students across all institutions as well as the wider community. Dumfries and Galloway Student Association offices are located next to UWS (and UoG) Student Association Offices and students are encouraged to hold joint sports activities and other social events during the year.

- **To continue to seek opportunities to expand shared services with its Crichton partners**

The Crichton Institute is a new, collaborative venture comprising Crichton campus academic and wider strategic partners. Its purpose is to deliver a programme of knowledge exchange, applied research, evidence synthesis and policy development that will have a transformational influence on the economic, social and cultural regeneration of South-West Scotland and is funded until January 2017 by the Scottish Funding Council. The Institute will be located in the Henry Duncan Building part of the main Dumfries campus.

The Crichton Development Trust are working with all Crichton campus partners to identify and deliver enhanced facilities that will support and encourage a strong, vibrant student community on the Crichton campus.

Should SRUC relocate some of its activity to the Crichton campus there will be further opportunities to identify and develop shared services for the benefit of learners.

- **To continue to collaborate with SRUC to identify future curriculum delivery opportunities**

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

- To explore joint student association activities with students from DAGCOL and SRUC

Procurement

The Procurement Reform (Scotland) Act is likely to result in significant change in procurement practices for the College. A Scottish Model of Procurement will seek to simplify, standardise and streamline procedures placing sustainable and socially responsible purchasing at the heart of the process.

- To develop a Procurement Strategy in response to the new Act by December 2015.

High quality & efficient learning

The College aspires to be an 'outstanding college'. We aim to deliver the highest quality learning for our students, to make a positive contribution to the local and national economies and to utilise the expertise of our staff to deliver continuous improvements. A new strategic plan, Vision 2020, for the period 2015-2020, will set out our priorities for that timescale.

Qualifications

In a region where there is a higher proportion of people with no or low level qualifications, the College adopts an Open Access policy and delivers programmes at Scottish Credit Qualification Framework level 4 or below which do not require any formal entry qualifications. This is in line with the Dumfries and Galloway Economic Strategy's aim to raise the low skills and qualifications base in the region. The college is committed to meeting learner needs by providing appropriate learning opportunities, skills and qualifications, ensuring that fewer young people in Dumfries and Galloway are not in employment, education or training. Improving attainment will remain a key priority for the College, particularly in curriculum areas with low performance indicators.

- To continue to increase the number of programmes leading to recognised qualifications and level qualifications through SCQF.
- To continue to develop strategies for improving attainment.

Student success rates

Steady improvements have been made in full time FE student outcome rates, but are still below the Sector averages. The College has achieved more than a 3% improvement in overall full time FE percentages since 2011-12. A 1% improvement has been made in full time HE student outcome rates since 2011-12 bringing full-time HE in line with the Sector averages.

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

	Full-time Further education		Full-time Higher education	
	Actual	Target	Actual	Target
2014/15		64		72
2013/14	64	65	71	72
2012/13	63	63	70	73
2011/12	61	61	70	61

- To achieve a 3% improvement in full-time FE learners successfully achieving a recognised qualification
- To achieve a 3% improvement in full-time HE learners successfully achieving a recognised qualification
- To achieve a 2% improvement in part-time FE learners successfully achieving a recognised qualification
- To achieve a 2% improvement in part-time HE learners successfully achieving a recognised qualification

Retention

Steady improvements have been made in full time FE student retention rates. The College has achieved a 2% improvement in overall full time FE percentages since 2011-12. A 4% improvement has been made in full time HE student retention rates since 2011-12 and is now in line with the sector averages.

	Full-time Further education		Full-time Higher education	
	Actual	Target	Actual	Target
2014/15		76		83
2013/14	74	74	82	81
2012/13	73	74	80	80
2011/12	72	72	78	78

- To achieve a 4% improvement in full-time FE learners retention rates
- To achieve a 1% improvement in full-time HE learners retention rates

Learner Support and Guidance

All full-time learners currently offered a in 1 hour tutorial with a personal tutor per week. The current system has operated in its current form for a

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

number of years. The College is looking to refresh the system so that its focus includes on 'on-course' progress, employability and career guidance.

- **To review the personal tutorial system ensuring a focus on 'on-course progress, employability and career guidance.**

Progression

The College will ensure that it provides ease of access to, and progression within, learning to ensure that more learners develop the appropriate skills needed to get a job, keep a job or get a better job and that more learners achieve qualifications and progress to further study. The College is committed to a curriculum which is inclusive, challenging, engaging and aspirational, provides personalisation and choice, develops skills for learning, life and work, provides breadth, depth and progression, is relevant and responsive to employment opportunities and needs, and reflects the needs of the regional economy. The College Curriculum Planning and Review processes ensure a coherent well planned curriculum portfolio for 2015-16 which maximises progression opportunities for students. Appendix A to this document shows 2015-16 progress opportunities

- **To introduce a new Mechanical Engineering course at SCQF level 6**
- **To introduce 2nd year HND Coaching and Fitness**
- **To introduce 2nd year HND Beauty Therapy**

Articulation

The number of full-time learners studying at HE level has increased by 72% from 295 in 2011-12 to 505 in 2014-15. Learners studying at Higher National level now account for approximately 32% of all full-time activity. We anticipate that approximately 60% (120) of learners studying at Higher National Certificate level will progress on Higher National Diploma level study within the college and numbers progressing on to University programmes from either a Higher National Certificate or a Higher National Diploma has also grown significantly. We expect to maintain the number of students achieving HNC or HND articulating to degree courses with advanced standing. In 2016 we are looking to expand the level of articulation with advanced standing.

Articulation arrangements have been established with Crichton University partners, including the University of Glasgow, University of the West of Scotland and the Open University for almost all curriculum areas. A degree in Applied Enterprise was developed in 2012-13 by the Crichton Campus partners University of Glasgow, University of the West of Scotland and Dumfries and Galloway College. This is a unique programme aimed at providing articulation opportunities for learners achieving Higher National Diploma, initially in Creative Industries, to progress on to a degree level programme at the Crichton campus. An honours level was introduced in 2013-14 and entry widened to include anyone with a Higher National Diploma. SWAP Access to Nursing. In session 2013/14 the College entered into an arrangement where UWS funded 12 HN places. This arrangement has been expanded in 2014-15 to UWS funding 15 places and UoG funding 12. The College is currently in early discussions with Strathclyde University to develop a SAWP access to engineering course and to offer articulation opportunities for learners studying Higher National

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

Certificates in relevant engineering programmes.

- **To continue to work with UWS and UoG to offer 27 HN funded places.**
- **To continue to work with Universities, including the Open University, to increase the number of students articulating to degree level courses with advanced standing.**
- **To continue its discussions with Strathclyde University to introduce a SWAP access to engineering course in 2016-17.**
- **To pursue articulation arrangements with Strathclyde University Engineering Academy**

Education Scotland

The College will further develop its self-evaluation procedures to cross college and review practice against the quality indicators of the Education Scotland Evaluation Framework. The quality of learning and teaching will be evidenced through positive reports from Education Scotland, from the Annual Engagement visits, any Aspect tasks and from the College Reviews to be undertaken during 2015-16.

- **To achieve a successful Education Scotland Review**

Active learning

A pilot scheme has been running for 2 years which involved the appointment of Learning & Teaching mentors from amongst the lecturing staff whose role is to support teaching staff to share good practice and enhance and improve the learning experience. Unannounced observations are undertaken during the year and feedback is provided to the relevant staff member. If any areas of concerns are observed, specific actions are agreed and follow up observation visits are carried out at a later date. The mentor scheme was put in place to address one of the main points for action from the Education Scotland Review *'The college should continue to improve the effectiveness of its arrangements to ensure that all learners are appropriately engaged in enhancing their own learning'*.

- **To evaluate the effectiveness of the Learning & Teaching Mentors pilot**

Progression into employment

The College will aim to improve the tracking of student destinations and has committed to and involvement in the SFC student destination pilot project. The College will develop a system to track the destination of all full-time students who completed their programmes in the previous academic session.

- **To set a baseline from 2014/15 and targets for the positive destination of full-time college qualifying learners 3-6 months after completing their programme of study**

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

Access for people from widest range of backgrounds

Social inclusion is at the heart of the College's vision and mission. The college provides a range of support to help learners access and achieve on their chosen programme of study. The College has a well established system for identify students who may have additional support needs. Once identified theses learners are assessed and if required assistance is put in place to support them. The variety and level of assistance can be wide range such as from providing a student with an education support worker, providing readers, scribes and prompters; providing assistive technology and adapted materials. The College also operates an Independent Learning Centre with specialist staff in both campus locations where learners can seek assistance to develop their literacy and numeracy skills. In addition, the College provides learning zones in both campus locations, staffed by specialists, where learners can access a range of computers, MACs and online services to help develop their independent learning skills.

- **To utilise SFC ELS funding to continue to provide support and services to students with additional support needs**

Dumfries and Galloway has 8 data zones in the 10% most deprived in Scotland as identified by the Scottish Index of Multiple Deprivation, two of which are in the 5% most deprived in Scotland. The 10% most deprived are in five areas within the region: central Dumfries, Northeast Annan, Northwest Dumfries, Upper Nithsdale and Stranraer. In 2013-14 the proportion of credits delivered to learners in the most deprived 10% postcode areas in Dumfries and Galloway was 12%. This was slightly higher than in previous years.

- **To deliver 3,441 (10.7%) credits to learners from the most deprived 10% postcode areas in Dumfries and Galloway**

Dumfries and Galloway College is committed to the principles of equality and diversity for everyone. In its Equal Opportunities Policy the College states its commitment to equal opportunities for all. The College's existence and activities are determined by a belief in, and desire to ensure that all members of the College have an equal opportunity to maximise their potential and are equally valued and treated with respect. We seek to improve education, employment and services in an environment in which diversity is valued. The College operates an open entry policy to its courses. The College published its equality outcomes in April 2013. These outcomes will be reviewed and a report published by 30 April 2015 on progress made towards achieving the outcomes, and subsequently every 2 years.

- **To review progress towards achieving equality outcomes and publish report**

The College is committed to supporting young people in and leaving care. The College was awarded the Buttle UK Quality Mark for Care Leavers in September 2009 in recognition of the support it provides. We looking to further develop the system and processes for monitoring and supporting learners in and leaving care, to also include transition arrangements from school to college,

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

- **To further develop the monitoring and support of learners in and leaving care for enrolment and success from 2015-16 onwards.**
- **To put in place transition arrangements from school to college for students in and leaving care**
- **To deliver 272 credits to care leavers**

The College offers Princes Trust programme which is a full-time intensive programme aimed at 16-25 year olds looking designed to build motivation, gain work experience and have the chance to achieve a nationally recognised qualification whole make a real difference in the community. The Prince's Trust Team Programme has been running in the College for six years, supporting over 350 unemployed young people to gain the confidence, skills and experience they need to find work.

- **To deliver 3 Princes Trust programmes in 2015-16**

The College is committed to providing opportunities for learners with profound or complex needs. The College is collaborating with the Employability and Skills Team on an exciting new course 'Project Search'. This will be the first course of its kind in the South of Scotland and will support learners with a range of complex needs into employment. The course will be jointly delivered by the College and the local authority Employability and Skills Team Dumfries and Galloway Council has agreed to be the Industry Host for 2015/16. This is a new model that has had real success in Canada particularly related to opportunities for Employment in Hospitals

- **To deliver 1,434 credits, which is an increase of 5%, to learners with profound or complex needs with the introduction of a new 'Life Links' course.**

It is not anticipated that the balance between male and female enrolments will change substantially during the planning period. At a college level the gender split for full-time courses is fairly evenly spread. However there are areas of the curriculum where gender imbalance needs to be addressed. In particular the male dominant areas of Construction, Engineering, Computing and Sports and the female dominant areas of Care and Child care and Hair & Beauty. The College promotes equality in its marketing materials in particular through case studies. The College is also actively promoting gender balance when discussing school-college provision. While it is intended to increase activity in engineering which is traditionally male dominated, there will be a corresponding decrease in hair and beauty which is traditionally female dominated.

- **To continue to address gender imbalances**

The College has well established monitoring by disability, gender, ethnicity, age and postcode. The College does not currently offer Gaelic speaking courses or support. Working with the CPP will identify any unmet demand within the region and agree any course of action required.

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

- To work with the CPP to identify any unmet demand for Gaelic speaking courses and or support

Right learning in the right place

Curriculum

The College is committed to improving the life chances for young people and adults in the Region by offering a breadth of curriculum at both campus locations. The College will continue to deliver courses to a wide range of students, from school pupils through to adult learners, offering a comprehensive portfolio of vocational courses and professional development opportunities. The College continually reviews its curriculum and courses and makes decisions at strategic level based on demand from learners, the needs of employers, internal performance measures, external environmental analysis, including the use of the Regional Skills Assessments as well as national initiatives such as *Opportunities for All* and *Developing The Young Workforce*. Skills Investment Plans have been produced for the Tourism and Food and Drink sectors. A full Curriculum Review was undertaken in 2014-15 with the aim of aligning our curriculum offering more closely to the economic needs of the region from 2015-16 onwards. As well as taking account of the Regional Skills Assessments and Skills Investment Plans, the College used feedback from employers, CPP partners and other stakeholders groups in the development of the Curriculum Plan 2015-16.

South of Scotland Regional Skills Assessment 2012-2022 produced by Skills Development Scotland highlights Food, Drink and Tourism as the largest of the growth sectors in the region, accounting for 25% of all jobs. Greatest employment increases over the coming decade are expected to come from:

- Accommodation and Food
- Health and Social Work
- Engineering & Construction
- Arts & Entertainment
- Professional Services

The curriculum is increasingly shaped by employer involvement and further engagement of employers and industry boards in the design and support of the delivery of courses is a key objective of all college curriculum areas.

The College has an overall target of 31,648 credits. This includes an allocation of 1% (301 credits) for growth in activity under the needs-led model for 2015-16, as well as an allocation of 4.2% (1,277 credits) under the Youth Employment Initiative. The college plans to use the additional funding to address unmet demand in Hospitality and increase places in Engineering and Schools provision.

The College has invested £2m in the development of Hospitality and Catering training facilities on the Dumfries campus enabling the College to offer

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

the following programmes starting in August 2015 - Introduction to Professional Cookery (SCQF 4); NC Hospitality (SCQF 5/6) and HNC Hospitality (SCQF7).

Through the TRANSFORM project, the College curriculum is more flexible, enabling us to provide more choice to learners throughout the region by offering programmes on a blended basis which will increase access opportunities to those who are unable to travel to college. We have introduced three Higher National programmes at our Stranraer campus using a blended model. Development of an online Higher National Certificate in Social Care has increased the numbers of learners able to access this provision and has attracted some learners from out with the region.

The College uses a range of Awarding bodies from across the United Kingdom. A robust self-evaluation process involving staff, learners and, from 2015-16, employers, is used to gain feedback on the appropriateness of course content. Where feedback indicates that a programme does not meet the needs of learners and/or employers, an alternative, more appropriate programme is sourced. This places an additional burden on the college in terms of registration and quality systems as different Awarding bodies have differing requirements. However, it is part of the College's core philosophy to ensure we deliver the best and most appropriate learning.

- **To deliver 31,648 credits overall, an increase of 5% on 2014-15 target**
- **To deliver 77% of all credits to learners under the age of 25 year olds, an increase of 7% from 2014/15 target – (16-19 year olds 16,387 (51%) 20-24 year olds 7,396 (23%))**
- **To deliver 85% of full-time credits to under 25 year olds, an increase of 5% from 2014-15 target - (16-19 year olds 15,307 (56%) 20-24 year olds 6,286 (23%))**
- **To increase the credits delivered to school-college provision to 1,286 from 1,000 planned in 2014-15**

Opportunities for All

Dumfries and Galloway College will contribute to meeting the National guarantee for young people and will aim to deliver 77% of credits (and 80% of Full Time credits) in the 16-24 year old age groups.

In addition, the College will continue to work with Skills Development Scotland through the Employability Funding which targets the 16-24 year old age group in particular. Therefore, Dumfries and Galloway College is continuing its commitment to prioritise places for 16-24 year olds together with responding to funding specifically targeted to the age group of 25 and over. We will ensure the curriculum is aligned to meet the objectives of 'Education Working for All!', the final report of the Commission for Developing Scotland's Young Workforce. The College offers 16-19 year old the opportunity of job search skills through access to the SDS 'My World of Work'. The College will use the recommendations in the Commission for Developing the Young Workforce report 'Education Working for All!' to develop an implementation plan.

- **To develop a DYP implementation plan**

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

- **To deliver 1,578 credits (301 growth and 1,277 YEI) to increase places in engineering, Hospitality & Catering and a new Employability programme**

Community learning

The College works across a wide area of community provision, often in partnership with Community Learning and Development and delivers learning in a variety of venues. The College is working closely with Dumfries and Galloway Council and other partners in the development of the Dumfries Learning Town initiative.

- **To harmonise approaches to community provision to ensure a more coherent offering to best meet the needs of all the local communities.**
- **To work with the Dumfries Learning Town initiative on joint initiatives to improve learning provision across the region, particularly for young people, those returning to work or furthest removed from the economy.**
- **To work with Community Learning to develop a learning action plan**

A developed workforce

Employer Engagement

The College will work with employers to better align the curriculum to any skills gaps or shortages. In many curriculum areas Employer Advisory Boards were established in October 2014 with the aim of strengthening relationships with employers and businesses in the region. The purpose and remit of these Boards are to ensure the curriculum is fit for purpose, to increase industry visits and work experience opportunities for learners, and to encourage more employers to directly recruit from the college. The College will work with employers to align the curriculum to any skills gaps or shortages. The College recently established It is the College's intention to set up Employer Advisory groups for key sectors to work with College Curriculum Sectors on further developing the curriculum and enhance employability and skills development opportunities within courses, including work-placements. The College works closely with local employers, over the past year has worked with the NHS to develop a 'reablement programme', Dumfries and Galloway Housing Partnership: develop bespoke programmes, worked with SPEN to expand the 'Overhead Lines Technician to include jointing skills and we are in discussions with Laing O'Rourke in respect of the construction of region's new acute district hospital.

- **To establish additional employer advisory boards**
- **To explore Graduate Apprenticeships in Engineering – demand from local employers – links with Strathclyde University**
- **To increase employer engagement in the design of college programmes**

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

Senor Phase Vocational Pathways

The College has held initial discussions with 15 of the 16 secondary schools across the region and will collaborate with the local schools in the ongoing roll-out of Curriculum for Excellence and for Developing the Young Workforce. From the initial discussions it is clear that different solutions will be required for different schools and communities. Some will require in-school delivery for reasons of geography, timetabling etc, some will form school clusters with neighbouring schools and others will travel to college.

This will be a challenge to the college in terms of resource efficiency as there are likely to be small numbers (in comparison to urban schools) and travel time for staff to deliver in schools will mean they are unavailable in college and this will create timetabling and resource utilization issues. Nevertheless, the College will meet demand where feasible.

The College currently engages with 10 secondary schools across the region for Senior Phase options. A total of 249 learners have chosen college options as part of their pathways. The curriculum areas include: Electrical Engineering, Motor Vehicle, Early Education and Childcare, Psychology, Energy, Beauty, Hospitality and Digital Gaming ranging from Skills for Work to HNC level. In terms of gender balance 42% are male and 58% are female, though this is not reflected in the curriculum options.

The College received SFC funding to become an early adopter following early recommendations from the Woods commission, to work with local secondary schools to develop flexible HNCs for school delivery. In session 2014-15 6 pupils enrolled on the HNC Electrical Engineering programme. This course is a mix of attendance at college and online delivery where pupils can continue their learning at a time and place to suit them.

The College organises an annual 'Schools Competition' which has been running for 13 years. The main purpose of the competition is to provide S3 pupils with an introduction to the College. Raising awareness of College Courses in a relaxed and competitive environment. In the year that they choose their choices for future destinations. The competition is a taster day with a difference. It is an opportunity for pupils to represent their school and compete with each other to win the ultimate coveted silverware prize of the annual 'School/College Trophy'. The College has designed the individual events to provide pupils with a brief insight into College life and the various programmes delivered across the College. They've packed in some fun and competitive elements to make each event a competition in its own right. The competition also challenges gender balance with all competitions requiring at least one boy and one girl to compete. Employer engagement has become a large part of the Annual Competition with local businesses large and small supporting every area. Each individual event is hosted by the curriculum leader from the following areas:

- Business
- Computing
- Construction
- Creative Industries

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

- Education Studies
- Engineering
- Hair, Beauty & Complementary Therapies
- Health & Social Studies
- Sport
- Hospitality

The main sponsor of the competition in 2014 was PNE Wind UK who donated £500 to the winning school.

Ambitious plans have already been agreed with schools for 2015-16 and outline plans developed for 2016-17 linked to Developing Scotland's Young Workforce. These have been shared with the local authorities Employability and Skills Team and one curriculum pathway for Christmas leaver's is being delivered between Schools, College and the local authority Employability Team.

The College intends to increase its engagement with schools across the region for 2015-16 from 10 to 13 for Senior Phase pathways, and for 2016-17 a targeting 15 of the 16 schools across the region. The number of learners planned for 2015-16 is 388, a 38% growth, and 624 learners for 2016-17. New curriculum pathways include Engineering / Employability Skills, HNCs in Early Education & Childcare, National 5s in Energy, National Certificate in Hospitality, Travel and Tourism, Higher in Computing, Events Management, and Care for the Elderly.

All Senior Phase pathways have clear progression pathways and will lead directly into full time college options or University options e.g. the Christmas leavers Engineering / Employability option leads directly onto a full time Introduction to Engineering course at the College

Following individual planning meetings with schools, 5 regional cluster groups are being developed to support regional shared pathways. The Employability and Skills team also now have representation within each school. Timetable barriers will be discussed during planning with cluster groups. The local Education Authority has also formed sub groups across the region to look specifically at the 38 key Woods review recommendations. A two day conference for Head teachers is being hosted by Dumfries and Galloway College and has a full morning focussed on joint planning for Developing Scotland's Young Workforce and vocational pathways. Resourcing school college pathways in a rural area across such a geographical scale is an issue, and despite the College's flexible approaches to learning there is still a large amount of staffing time lost due to travel arrangements to support these programmes, for 2015-16 staff travel time has been estimated at around 520 hrs 0.6 full-time equivalent and for 2016-17, and estimate of 930 hrs or 1.1 FTE.

Partnership arrangements are in place to agree, monitor and evaluate the new Senior Phase Partnership including More Choices, More Chances members with a clear target of 100% positive destinations for all school leavers. The MCMC team report into the Council's employability Partnership Team which also agrees / discusses the College's Curriculum plan and Senior Phase pathways which links into current developing Community Planning action plans.

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

- To deliver an Engineering Programme to Christmas leavers in partnership with the Schools, and the Employability team
- To develop senior vocational pathways in partnership with local schools
- To work with SDS and Local schools to identify opportunity to pilot foundation apprenticeship in D&G
- To establish a partnership with schools and employers to ensure courses offer routes to employment

Science, Technology, Engineering and Mathematics (STEM)

The College currently delivers on a range of engineering courses such as: Wind Turbine Technician, Overhead Lines Technician, NC Electrical Engineering, HNC Electrical Engineering, NC Engineering Fabrication & Welding courses, as well as courses in computing such as; Diploma in IT Support, HNC Computing and HND Computing Technical Support. The College is considering a number of ways in which it can offer STEM. It has had preliminary discussions with the New Engineering Foundation (NEF) on the potential of establishing a “Sustainable Development Hub” to act as a beacon for employer engagement. The College has also been discussing the STEM provision with local secondary schools. The College is in discussion with the SRUC regarding opportunities for joint delivery. One area being explored is for a centre of excellence in engineering. In addition the College is currently in discussing with schools potential STEM subject for 2016-17 delivery.

- To develop a STEM strategy
- To deliver NC Mechanical Engineering in 2015-16
- To explore Graduate Apprenticeships in Engineering opportunities with Strathclyde University Engineering Academy – based on demand from local employers

Work experience

The College has a number of courses where substantial work placement (more than ten days) is in business and industry..., They are: HNC Early Education and Childcare; NC Early Education and Childcare; HNC Social Care; SWAP Access to Nursing; Vocational Studies in Health and Social Care; Intermediate 2 Health & Social Care and Higher Health and Social Care. The majority of programmes incorporate study visits and guest speakers from industry in their curriculum delivery. Creative Industry students participate in ‘live’ briefs working with industry partners. Work experience placement arrangements in Early Years Education were reviewed and changed as a result of employer feedback.

- To continue to expand opportunities for work placements in programmes

Modern Apprenticeships

Dumfries and Galloway College is the major provider of modern apprenticeships (MA) programmes in Dumfries and Galloway, with over 70 apprentices training with the College at any one time. Over the past two years the College has supported Dumfries and Galloway Council in training

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

apprentices as part of its youth employment commitment. Using the Regional Skills Assessment and feedback from Skills Development Scotland and employers to identify need and opportunity, the College will seek to extend the range of Modern Apprentices provided and increase the number of apprentices being trained by the College.

- **To increase from 70 (2014-15 target) to 94 the number of Modern Apprenticeships delivered through the College**

Work-based Learning

Dumfries and Galloway Region traditionally has a low level of qualifications, particularly amongst the older population. As part of our work-based learning strategy, the College has gradually increased the range and levels of Scottish Vocational Qualifications and other work-based qualifications delivered to learners in the work-place in order to support business development and growth. We plan to continue this expansion over the next few years.

- **To increase the number of work-based qualifications delivered by 10% (from 485 in 2014-15 to 533 in 2015/16).**

Employability

The College has a strong focus on developing learners' employability, citizenship, entrepreneurship. The college has a rigorous approach to self evaluation, where employability and essential skills are evaluated for each course. This includes learner feedback and engagement. Employers have engaged directly with learners on a number of initiatives / events:

- Basement 20 (local Hairdresser) offered beauty and hairdressing students a 'live' brief culminating in showcasing their work in the salon. Learners work with the salons stylist to create hair and make-up for a variety of themed looks. This project provided learners with valuable work experience Beauty Learners were recently
- Hair and Beauty Learners held a 'Look of Summer' competition judged by a local hairdresser and local beautician. The aim of the competition was for students to create a hair and make-up for a seasonal look for a client. The process started with students creating a mood board then transforming their model to reflect the chosen mood. Local employers were invited to the final 'cat walk' where each student introduced their model and the mood they created. HND photography students worked closed with the hair and beauty students to capture the activity. These images were then displayed in the salons.
- NHS Dumfries offered creative industry students the opportunity to enter a competition to provide the artwork for their Smoke Free Campaign. Two students studying on the HND Visual Communication course won the competition.
- Students at Castle Douglas High School held a Robert Burns themed dinner. Senior pupils on the school college link hospitality course developed a range of skills required to plan and deliver an event from start to finish.
- Border Cars invited motor vehicle students at the Stranraer campus to a site visit. The students received a guided tour of the showroom and the workshops to find out more about the inner workings of a large showroom. Students spoke with staff and learned much about each

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

role within the company. This visit was a great opportunity for learners gain an understanding of the different jobs in the dealership and how to deal with particular situation in the workplace.

- The College launched a naming and branding competition for the new training restaurant. The competition was open to all learners at the College. The brief stated that the branding needed to reflect a professional, customer care / service environment as well as complementing the existing branding of the College. The competition was won by a student studying HND Visual Communication

Through self evaluation employability skills will be further explored to include employers and key stakeholders to ensure the skills delivered are fit for purpose.

- **To increase employer engagement with learners through industry visits, work experience opportunities and work-related projects.**
- **To work with employers and key stakeholders to ensure the employability skills delivered are current**
- **To maximise positive destination opportunities for young people through the Concordat between Dumfries and Galloway Council, Skills Development Scotland, Scotland's Rural College and Dumfries and Galloway College.**

Sustainable institutions

Institutional Sustainability

The College was reclassified as a Non Departmental Government Body as from 1 April 2014 and this has had a number of outcomes which the College continues to work through with the SFC.

Some of the impacts felt by the College to date of this reclassification have been:

- The budget setting process / timetable within the College has been amended to comply with the external budgetary requirements of the Scottish Government timetable;
- The Scottish Government March year end budget reporting requirements;
- Increased reporting requirements;
- The requirement to submit detailed monthly cash flow returns and to ensure that cash is not drawn down in advance of need;
- The requirement to submit quarterly resource returns which in the three months to March each year will be monthly;
- The ability of the College to borrow funds has been restricted;
- The requirement to insure college assets is under review.

A revised Financial Memorandum (FM) between the College and the Scottish Funding Council (SFC), effective from 1 December 2014, makes it a term and condition of grant from SFC that incorporated colleges and Regional Boards comply with the requirements of the Scottish Public Finance

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

Manual (SPFM) and sets out the special actions and derogations, which have been agreed with the Scottish Ministers. The College will continue to work with the SFC to ensure that the requirements of the FM are complied with.

The College aims to develop income streams to enable strategic reinvestment in core business and services for the benefit of students, staff and the communities we serve. The College aims to reduce dependence on a single funding stream and to seek opportunities to generate income from commercial activities and other public sources such as European funding streams and Skills Development Scotland

- **To increase its non SFC income by 0.5% (£60,000) from 21% to 21.5%**

Staff Development

The College maintains a comprehensive programme of continuous professional development for all of its staff. 91% of staff possess TQFE or equivalent with a further 7.5% possessing a Professional Development Award. The remaining 1.5% are either working towards a PDA or due to start as they are new members of staff. 83% of work based assessors possess the appropriate assessing qualification with the remainder working towards a qualification. A total of 5 days is set aside in the academic year for staff development activities. Heads of Faculty, in conjunction with the Learning & Teaching Mentors, and curriculum teams decide on the content of the development days, taking account of national and local developments. Additional industry or course specific training is also undertaken. Each member of staff participates in a Staff Development review with their line manager on an annual basis and any training or development needs identified are recorded and progressed. These are followed up at a later date to evaluate effectiveness and impact.

- **To achieve a target of 95% staff to possess TQFE qualification and 5% to possess a PDA**
- **To achieve a target of 100% of assessor to possess the assessor award**

Estate

Dumfries and Galloway College currently operates across two campus locations- Dumfries and Stranraer. Estates utilisation, maintenance and planning will continue to be developed in a way that supports the College curriculum planning process and community engagement strategy. In 2014-15 the College invested 1.3m in its Dumfries facilities to provision new teaching kitchen and restaurant. The Dumfries campus will be operating at full capacity from 2015-16. The Stranraer campus is currently under utilised. The capacity of the Dumfries estate to cope with the continuing growth and focus on full-time numbers is now at its limit.

The College aspires to grow (under the needs led model) however as its Dumfries campus is now operating a full capacity this will require major capital investment. There is scope within the existing land to expand and extend the building. This would provide the capacity to offer a STEM centre or new engineering wing. Should joint curriculum development and delivery with SRUC progress as it is hoped, additional engineering workshop, classroom,

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

teaching and student facilities will be required. On completion of the review of curriculum at our Stranraer campus, there may be a requirement for additional/different facilities than currently available.

- **To review current and future accommodation needs**
- **To develop an Estates Strategy to support Vision 2020**

National Pay Bargaining

August 2015 is the target for college Regional Leads within the Human Resources work stream working with the sector, Scottish Government, and others to identify options for national pay bargaining in the FE sector. Whilst the full implications of the implementation of national pay bargaining are not yet known any increase in costs relating to pay, terms and conditions will be a financial challenge for the College.

- **To participate in all consultation/discussions relating to National Bargaining to ensure the interests of Dumfries and Galloway College are fully represented.**

Scottish Funding Council Outcome Agreement 2014/15 – 2016/17 (Revised for 2015/16)

MEASURES TABLE

Insert measures table

Board of Management

Principal's Update

1 Purpose of the Report

To update Members on key College activities.

2 The Report

2.1. Regional Agreement 2015-17

Subsequent to the Board approving the draft ROA at its January (Strategic) meeting, we received further guidance from the Scottish Funding Council in terms of layout and have been advised to expand and provide the 'story' behind some of our targets. This is currently being finalised and a final version will be submitted at the next Board meeting for formal approval.

2.2 CREST

The CREST project completed at the end of January 2015 and the College has achieved its output and financial targets. We await the final report on the overall project. The Centre (now named the 'Energy Centre') is being fitted with some additional equipment and will be used to deliver training programmes to businesses and to offer 'additionality' to full time students studying relevant programmes in Construction and Engineering. Our Gas Assessment Centre is being incorporated into the Energy Centre which will provide a distinct brand and feel.

2.3 Hospitality & Catering Development

Following a successful recruitment campaign the College recently appointed 2 full-time lecturers – one in Front of House Service and one in Professional Cookery. Professional Cookery, National Certificate and Higher National Certificate in Hospitality programmes are currently being advertised and to date (24 February 2015) we have received 74 applications for 46 places for fulltime programmes commencing August 2015. Angela Constance, Education Minister will perform the official opening of the Hospitality suite at Dumfries on 20 May 2015.

2.4 Employer Advisory Boards

The second meeting of the Employer Advisory Boards was held in January 2015 and, once again there was a positive response, particularly in Hospitality, Engineering, Motor Vehicle and Business. We will need to undertake some additional work to encourage more employers in Care & Child Care to participate and the Head of Faculty is taking this forward.

2.5 Developing Scotland's Young Workforce

Dumfries and Galloway Secondary School Head Teachers conference will be hosted by the College on Thursday (12) & Friday (13) March. There will be potentially 40-50 senior staff from schools attending this event and we will be delighted to welcome them to our Dumfries Campus. One of the sessions planned for Friday 13 March is School/College links and Brian, myself, Andy and Heads of Faculty will be involved.

3 Recommendation

Members are asked to note the update on key College activities.

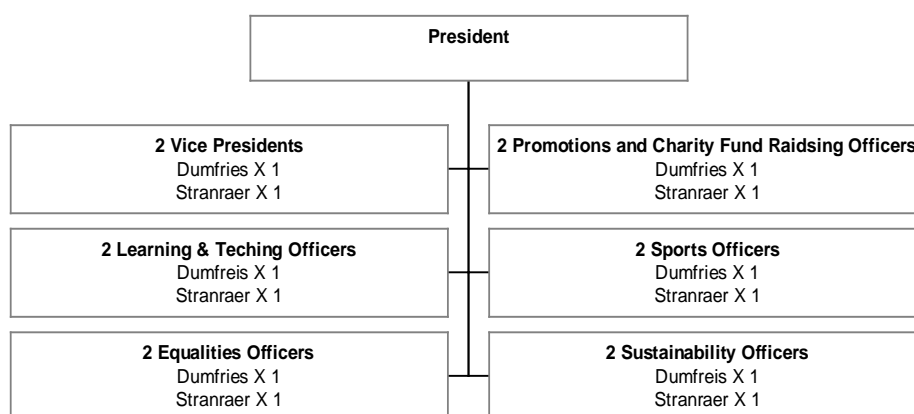
Carol Turnbull
Principal – March 2015

1. What is the Student Association?

All students of Dumfries and Galloway College are automatically a member of AWOL (Association Working on Behalf of Learners), Dumfries & Galloway College's Student Association. We meet on a regular basis to discuss topics of interest on behalf of our student body. Our SA Executives are also members of other cross college teams and our President and Vice-President from Stranraer are members of the Board of Management and attend meetings throughout the session.

2. The Executive

The Student Association Executive consists of one Student President cross-campus, and one Vice-President at each campus and 10 Executive Officers cross-campus.



3. Posts

The President and all members of the SA Executive work to improve the quality of the experience for all students at Dumfries & Galloway College.

- The Vice-Presidents: Support the President to lead the Student Association and represent the Association at national level
- Learning & Teaching Officers: Attends the Learning & Teaching Committee, and closely supports and works with class reps.
- Equalities Officers: Promotes diversity amongst students by organising awareness campaigns relating to the protective characteristics of equality and diversity.
- Promotions & Charity Fund Raising Officers: Assists with promotion and participates fully in fund raising for SA agreed campaigns, charities and appropriate events.
- Sustainability Officers: Liaises and works closely with the Sustainable Development Adviser to promote the College's sustainable development ethos to students.
- Sports Officers: Assist with sport activities and related campaigns and plans are being discussed as to how they can support lunch time activities for students.

4. How the Student Association is funded

Previously the Student Association received funding from the College, however for this session the College is part of a pilot with the Scottish Funding Council who are providing money for non-merging colleges to promote autonomy for the Student Association and longer term devise a plan that will hopefully make the Student Association sustainable.

5. How the College supports the Student Association

The Student Association's main support is received through the Quality Department, a part-time Student Association Assistant based at Stranraer campus and member of the College Executive Team. This session, due to SFC funding, the College has been able to employ the Student President for 21 hours and each Vice-President for 7 hours. An agreement is in place where each member of the Student Association Executive organising and supporting events will be paid on results. From November there has also been a Student Association Development Officer appointed for a fixed term full-time post until March 2016.

6. Activities/Events

During January members of executives at both campuses took part in a Development Day lead by the Student Association Development Officer. The main purpose for this event was to provide the opportunity for all members of the Executive team in both campuses to meet up in one location to discuss job roles, events, activities, ideas for the development plan; this was very successful in team building.

Activities / events:

- Health Week was very successful with a number of organisations visiting both campuses including: Samaritans, Sexual Health, Smoking Matters, Army Cadets, Community Police, Morrisons Community Champion, Easterbrook Head Chef, Sports Students undertook BMI testing and health testing/screening for staff and students in the student association room at Dumfries Campus. Slimming World, The Ryan Centre, and smoothies were made in Stranraer.
- Open Evening, members of the Executive attended the Colleges open evening
- Valentine's Day – The launch of DG Vibes on the intranet with a high number of staff and students submitting requests and messages for songs to be played.
- Pancake Day – One of our Executive members and a member of Staff were cooking pancakes for Students in Stranraer.
- Chinese New Year – Was very well attended with a Cooking Demonstration from one of the local chefs
- Student Volunteering Week – Student Executives have approached a number of volunteering organisations. With Befrienders, Army Cadets, and Third Sector Dumfries confirmed to date.
- Climate Change Week – 2nd March being agreed

- No Smoking Day – 11th March yet to be confirmed but will be supported by smoking matters.
- Headteachers Conference – Student Association will be showcasing activities to promote the Student Association at the College. 12th-13th March
- Citizenship Week – Is currently under discussion and will be held on the week beginning 27th April
- End of session event – Currently discussing ideas for a fun event for Students before they move on for the Summer.

7. Development Officer

Student Association Executive is working closely with the Development Officer to provide input to a development plan that should hopefully make the Student Association sustainable. We have visited Borders College and Forth Valley and plan to visit City of Glasgow College, Ayrshire College and South Lanarkshire College to get some ideas of good practice.

Board of Management

BOARD RECRUITMENT

1 Purpose

The purpose of this report is to seek approval from the Board of Management to appoint new members to the Board following recent recruitment.

2 Report

When the College was designated as Regional College in March 2014, it had until March 2015 to appoint a new Board. The Board decided to hold two separate open recruitment campaigns, one in May 2014 and the other in December 2014.

The Selection and Appointments Committee agreed to a recruitment panel consisting of Brian Johnstone (Chair), Hugh Carr (Chair of Audit), Rona Gunnell (former Board Member) and Brian Pattinson (Independent Person). In line with Ministerial guidance on College Sector Board Appointments the recruitment process provided clear information on the role of board member, person specification, and assessment criteria to be used. The Board positions were advertised on the Scottish Public Appointments website as well as the Galloway Gazette, Dumfries Newspaper Group, Trinity Newspaper Group, Free Press, Colleges Scotland website, College website, College social media, Business Gateway, Economic Development Dept of D&G Council, Dumfries & Galloway Multicultural Association, DG Voice, and LGBT.

A total of 10 applications were received. The recruitment panel assessed each applicant against the set criteria (as stated in the recruitment information) with eight applicants being invited for interview on Wednesday 7 January 2015. It was reported at the January 2015 meeting that one applicant could not make the interview date and the panel would interview at a later date. Following that interview the panel is recommending full membership for Ros Francis.

3 Recommendation

The recruitment panel of the Selection and Appointments Committee is recommending to the Board the appointment of the above member. Following Board approval the Chair will then seek approval to appoint from the Cabinet Secretary for Education and Lifelong Learning.

Board of Management

VICE CHAIR, COMMITTEE CHAIRS AND COMMITTEE MEMBERSHIP

1 Purpose

The purpose of this report is to seek approval from the Board of Management to continue with the current arrangements in relation to the Vice Chair, committee chairs and committee membership until its next meeting in April 2015.

2 The Report

On the 3rd March 2015, the transition from College Board to Regional College Board becomes effective. This designation was achieved by the Designation of Regional Colleges (Scotland) Order 2014. Section 6(1) of the Post-16 Education (Scotland) Act 2013, which makes new provision for the composition of college boards of management by amending Schedule 2 to Further and Higher Education (Scotland) Act 1992 and Sections 23A to 23D of the Further and Higher Education (Scotland) Act 2005.

All current office positions require to be reviewed including the appointment of a Vice Chair, appointment of Committee Chairs and committee membership. A revised Governance Manual will be submitted to the Board for approval at its meeting in April.

2 Recommendation

Board members are asked to agree to the current arrangements in relation to vice chair, committee chairs and committee membership continuing until the next board meeting in April 2015.

Board members are also asked to advise if they wish to be considered for the position of Vice Chair, Chair of any committee and committee membership. Attached is information regarding the Vice Chair role and committee remits.

Board of Management

Role of Vice Chair

It is for the Board to agree if they wish to appoint a Vice Chair of the Board. The appointment of Vice Chair should be made from one of the non executive board members (cannot not be the Principal, staff or student board members). The main duty of the Vice Chair is to substitute for the Chair in the conduct of Board meetings and on occasion represent the Chair locally as directed by the Chair. The Vice Chair cannot discharge any duty delegated to the Chair. The Board shall determine the period of appointment.

SELECTION AND APPOINTMENTS COMMITTEE

Remit

The Committee has responsibility for advising the Board of Management on matters relating to members of the Board of Management

1. In accordance with applicable legislation, and relevant guidance on standards in public life and college board appointments manage the process of recruitment and appointment of candidates for membership of the Board of Management;
2. To nominate candidates for the approval of Chair of Board and Scottish Ministers;
3. To review and consider the composition and balance of the Board in relation to equality, skills and experience balance;
4. To develop policies and procedures for the induction, training and development of Board members;
5. To receive and review evaluation reports on Board performance and development of members;
6. To report to the Board as required – minutes of the meetings should be circulated to the Board.

Meetings: The selection and Appointments Committee will meet as required

HUMAN RESOURCES COMMITTEE

Remit

1. To ensure the College is operating within all legal requirements relating to employment law and other legislation affecting employment;
2. To approve the HR strategy and to monitor actual performance against KPI to include staff welfare, staff establishment, turnover, sickness, and absence;
3. To make recommendations to the Board on HR and staffing matters;
4. To ensure that pay and conditions of employment are properly determined and that pension arrangements are monitored;
5. To ensure appropriate arrangements are in place for effective dialogue with trade unions;
6. To ensure there are appropriate policies, procedures and monitoring for appointments, promotion, staff development and appraisal;
7. To ensure health and safety legislation relating to staffing is complied with and that regular reports are considered and recommended for approval to the full Board of Management;
8. To prepare an annual report to the Board;
9. To report to the Board as required – minutes of the meetings should be circulated to the Board

Meetings: The Human Resources Committee will normally meet once per year

Board of Management

AUDIT COMMITTEE

Remit

The following provides a summary of the main duties of the Audit Committee:

1. To review effectiveness of the internal controls and management systems;
2. To ensure systems are in place to promote efficiency, effectiveness and economy , including where appropriate the identification of specific value for money studies, and to ensure that activities are managed in accordance with legislation and regulations;
3. To ensure compliance with corporate governance requirements;
4. To review the Risk Management Policy and the effectiveness of risk managements systems, including the College's risk appetite;
5. To review the Anti-fraud and Corruption Policy and the effectiveness;
6. Establish a Whistle-blowing policy;
7. Agree letter of engagement with external auditor and review report to management;
8. Agree internal audit plan (including value for money audits) and review audit reports including annual audit report;
9. To prepare an annual report to the Board on Internal Financial Control prior to the signing of the Financial Statements
10. To report to the Board as required – minutes of the meetings should be circulated to the Board
11. To prepare an annual report to the Board on Internal Financial Control prior to the signing of the Financial Statements
12. To report to the Board as required – minutes of the meetings should be circulated to the Board

Meetings: The Audit Committee will normally meet at least four times per year.

FINANCE AND GENERAL PURPOSES COMMITTEE

Remit

1. To consider the annual budget and recommend approval to the full Board;
2. To monitor actual performance against budget;
3. To consider capital expenditure, investments and borrowing and recommend approval to the full Board;
4. To consider the Financial Forecast Return and recommend approval by the full Board;
5. To consider the annual accounts and recommend for approval by the full Board;
6. To oversee systems of financial control and delegated authority;
7. To liaise with external audit service to ensure accounts show a true and fair view and exhibit regularity of spend;
8. To carry out the Board of Management's constitutional delegation in financial matters;
9. To ensure compliance with the Financial Memorandum and Financial Regulations;
10. To make recommendations to the Board on matters relating to the development and management of its property and facilities;
11. To consider health and safety aspects of the College's operation where these relate to estates and facilities;
12. To report to the Board as required – minutes of the meetings should be circulated to the Board.

Meetings :The Finance and General Purposes Committee will normally meet at least four times per year

Board of Management

LEARNING AND TEACHING COMMITTEE

Remit

The Committee has overall responsibility for monitoring the direction and performance of learning and teaching and the quality of the learners experience at the College

1. To agree and monitor College teaching and learning strategy, aims and objectives;
2. To agree and monitor College learner engagement strategy, aims and objectives;
3. To agree and monitor College employer engagement strategy, aims and objectives;
4. To reflect on trends in education and encourage innovation and curriculum development to ensure that the College is successfully serving the needs of its internal and external stakeholders;
5. To agree and monitor academic performance, including student retention, progression, attainment PIs, ensuring arrangements are in place to action and address any areas of concern;
6. To monitor:
 - performance on admissions, access and inclusion; arrangements for articulation and partnership
 - approaches to learning and teaching, including the use of ICT;
 - the volume and themes of student complaints.
7. To regularly consider reports from and related to the Student Association and address any issues raised by the Association;
8. To maintain an overview of quality assurance and improvement by reviewing reports from both internal and external, including feedback and evaluation from student and stakeholder surveys;
9. To consider Annual Report Institutional-led Self Evaluation and recommend for approval by the full Board following;
10. To report to the Board as required – minutes of the meetings should be circulated to the Board.

Meetings: The Learning and Teaching Committee will normally meet at least four times per year

REMUNERATION COMMITTEE

Remit

1. To determine and review the salaries, terms and conditions (and, where appropriate severance payments) of the Principal, members of the executive team and the Secretary to the Board;
2. To ensure efficient and effective use of public funds;
3. To report to the Board as required – minutes of the meetings should be circulated to the Board.

Meeting: The Remuneration Committee will meet as required

23 January 2015

Mr John Swinney MSP
Cabinet Secretary for Finance, Employment and Sustainable Growth
Scottish Government
5th Floor
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

Ref: SS/VB
Direct: 01786 892008

Governance Arrangements: Teachers' Pension Scheme

Colleges Scotland is the membership body for all colleges in Scotland and is the representative voice for the sector, ensuring that its views are heard and interests represented. Last year around 74 million hours of learning were delivered to over 230,000 students by colleges, with the sector employing over 13,700 staff.

I am writing with regard to the governance arrangements in relation to the Teachers' Pension Scheme due to come into effect on 1 April 2015, and in particular membership of the Pension Board that is required to be established as part of the arrangements. I understand from your officials that you are currently considering some final representations on the governance arrangements of the Pension Board and wanted to take this opportunity to seek clarity on membership of the Pension Board.

Colleges are employers in relation to the Teachers' Pension Scheme and of course form a major sector of the educational system within Scotland, alongside universities and schools (both local authority and independent). Each of these sectors form an integral yet separate aspect, and as such our understanding of the legislation is that each of these sectors should be represented on the Pension Board. This is particularly important as each of these sectors has its own unique circumstances, and although we understand that members of the Pension Board are there to collectively support the Scheme Manager, it is vital that advice and input is received from the employers from each of the unique parts of Scotland's education system.

Colleges Scotland is the established membership body for Scotland's colleges, recognised as the voice for the sector. I am writing to seek confirmation that within the six employer representatives detailed in the current Terms of Reference, that one of those places would be for a representative from Colleges Scotland.

I am happy to discuss this further with your officials in order to find an acceptable solution, but would be grateful for clarity in the Scottish Ministers' view that it would be inappropriate to exclude the college sector from such a key governance board.

Cont'd

I have copied this letter to Angela Constance, Cabinet Secretary for Education and Lifelong Learning.

Yours sincerely

Shona Struthers

Shona Struthers
Chief Executive

cc: Angela Constance MSP, Cabinet Secretary for Education and Lifelong Learning

Board of Management

ANNUAL REPORT OF STAFFING COMMITTEE

1. Administrative Matters

This report from the Staffing Committee of the Board of Management of Dumfries and Galloway College is submitted in accordance with the requirement of Appendix XVII of Standing Orders in relation to the minimum reporting requirements for Standing Committees.

1.1 The period covered by the report is 1 August 2013 to 31 July 2014.

1.2 The membership of the Committee during the period, included:

Mr T Hydes	
Ms C Turnbull	
A Nyondo	
Mrs K Magillivray-Fallis	

1.3 During the relevant period, the meetings were as follows:

28 October 2013	4 members attended
26 May 2014	3 members attended

1.4 The average attendance figure from amongst members was 3 per meeting.

1.5 There has been no significant change to the Committee's Terms of Reference during this period.

1.6 The Board agreed a Scheme of Delegation in January 2002 that affected all Committees, principally by granting delegated authority to the Chairman of each Committee the power to act on behalf of the Committee between meeting cycles. This power was not exercised.

2. Main issues dealt with

2.1 Work completed in accordance with the Strategic or Operational plan included:

- Regular reports to the Committee from the Head of Human Resources in respect of:

- Absence
- Staffing Establishment Changes
- Staffing Analysis
- Staff Utilisation
- Employment Law Changes
- Grading reviews
- Discipline and Grievance
- Institutional Sustainability

Board of Management

2.2 Work completed in accordance with any Action Plans:

- Policies and procedures reviewed in light of changes in legislation
- Review of staffing establishment to ensure efficient use of the Human Resource within the budget constraints identified avoiding any redundancies.

2.3 There were no reports issued.

2.4 The current Terms of Reference are adequate to ensure that Staffing and Human Resources issues are dealt with appropriately.

2.5 The Committee can give a reasonable assurance to the Board of Management that there are no major weaknesses apparent in the processes and responsibilities within the areas for which the Staffing Committee has oversight.

2.6 The scope of the work during the period was, in the opinion of the Staffing Committee, appropriate and effective and the performance of the Management in Staffing and Human Resources was satisfactory.

3. Value for Money Studies (VFM)

3.1 There were two value for money studies conducted during the report period: Open Learning and Work Based Learning. All agreed actions have been implemented.

3.2 There are no value for money studies planned for the forthcoming session.

4. Other Matters

4.1 There are no matters arising from trusts, joint ventures, subsidiary or associated companies.

5. Opinion

5.1 The Committee is of the opinion that it has complied with the Board's Standing Orders and Financial Regulations and there is reasonable cause for assuring the Board on the effective and efficient achievement of the Board's objectives for the Committee.

Board of Management

SICKNESS ABSENCE REPORT

1. Purpose

The purpose of this report is to provide the Human Resources Committee with a summary of the sickness absence levels for the academic session 1 August 2013 – 30 July 2014.

2. Summary

Overall the absence rate for the College during the academic session was 4.4%. This was an increase of 0.6% compared to the previous academic session. During the session there was a large amount classified as long term (absence lasting more than 4 weeks) attributing to 65% of the overall absence. There were several reasons for this, including stress/depression, post operative, cancer, broken bones and cardiac problems. The short term absences are mainly attributed to stomach upsets and viral infections. Of the staff who were absent long term 4 have subsequently left employment with the remaining staff all returning to work prior to the end of the session or at the beginning of the new academic session. Where a member of staff is off for a prolonged period of time consideration is given to whether a phased return to work is appropriate. On 2 occasions a phased return was agreed.

The reasons that staff cite for being absent are continually reviewed to ensure that, where possible, the College can support that member of staff to assist them back to work. This may involve referral to Occupational Health (OH). Where a member of staff cites anxiety/stress/depression as the reason an automatic referral is made to OH and support may be provided in the form of counselling if this is deemed appropriate. Where the stress is attributed to work this is further explored to ensure that the College can provide support to the member of staff.

Upon reviewing the absence levels across the College there does not appear to be any trends in relation to reasons or departments. As can be expected there are a higher number of absences due to viral infections during the winter months.

The College continues to refer staff to Occupational Health where there is a history of frequent absences to establish if there is an underlying cause or if the College is required to make any adjustments as a result of illness to enable their attendance to improve.

3 Recommendation

Members are requested to note this report.

Board of Management

DIRECTOR'S UPDATE

1. PURPOSE

The purpose of this report is to provide the Human Resources Committee with a summary of current HR developments.

2. RECRUITMENT

In 2011-12, in conjunction with the IS department, a process was introduced where applicants were able to apply for a vacancy within the College on line. This was completed via the College website and was used in conjunction with a paper based system, it was recognised that not everyone would be able to access the on line recruitment form. This system has worked well however was limited in terms of access for recruiting managers and utilising the information for reporting etc. A robust on line recruitment system was discussed at Scotland's Colleges HR Steering Group and agreement was reached that 5 Colleges would take part in a 12 month pilot starting in 2014. Dumfries and Galloway College are part of this pilot and the system to be used is MyJobsScotland (MJS).

The pilot will enable the 5 Colleges to test the site and report back to the remaining Colleges with a view that this will become the preferred site for advertising for Colleges and applicants will be directed to the site as the first option for applying.

The pilot commenced in May 2014 and is due for completion in April 2015. To date the College has not had a large amount of vacancies to advertise and this has made testing the system difficult. Initially this has resulted in a more time consuming process rather than the efficiency savings initially identified.

3. HUMAN RESOURCES SYSTEM

The College currently operates an HR system which required a cash investment in terms of updating. Upon review of the system it was agreed to replace the current system rather than update the existing. This decision was taken on the basis of cost to update and the poor service offered by the current contractor. A tender process was completed with the assistance of APUC and this has resulted in the purchase of a new system from Midland HR. Training is currently ongoing with the HR staff and the system is expected to go live in February 2015.

4. STAFFING ESTABLISHMENT

During the previous session the overall staffing establishment did not vary significantly. There were a number of temporary contracts within the teaching areas due to the extension of TRANSFORM and for long term absences. These were terminated at the end of the session or when the absence ended. Due to the requirements as a result of reclassification 2 temporary contracts were issued to Finance, one has now finished with the other being converted to permanent.

5. COLLECTIVE BARGAINING

The National Joint Negotiating Committee (NJNC) was convened involving Principals, Regional Chairs and Trade Union representatives to discuss the proposal to undertake national Bargaining. Agreement was reached to

Board of Management

move forward with National Bargaining and a structure identified with an indication of what will fall within the remit of National Bargaining. These will fall in broadly 3 categories:

- National policy decisions that are binding on all parties to the agreement
- National policy guidance for implementation locally appropriate to the needs of each particular college
- National policy advice and sharing of best practice for local collective bargaining arrangements

A priority for the NJNC is to agree a Recognition and Procedure Agreement (RPA) which will allow for national bargaining. To date this has not been agreed due to the lack of agreement on both sides regarding what will be included for negotiation. The Trade Union representatives would wish for national agreement on a pay award for August 2015 and as such have both submitted a claim nationally for negotiation however in the absence of a RPA this cannot commence. The claims are as follows:

EIS – Increase in salary to £38,320 plus RPI plus 1%

UNISON – Increase of £1,000 per scale point, a decrease in the working week to 34 hours per week and an increase in holidays to 50 per annum.

This would mean an increase of approx 12% for teaching staff (based on 2.3% RPI) and an increase of between 2.5% and 7% for support staff (excluding holidays and reduced working week).

The management representatives have indicated that they are not able to start negotiations as there is a requirement for further data to be gathered regarding current terms and conditions. A deadline of 31 January 2015 has been given for the data collection.

No local pay claim has been received at the time of writing the report.

6. HUMAN RESOURCES STRATEGY

The Director of HR is currently developing an HR Strategy to complement the College's Strategic Plan and Vision 2020. This Strategy will be developed in conjunction with College Managers and staff and will identify the key aims and action plan to build upon the theme of One College One Team. The Strategy aims to have 4 key themes: Leadership, People Management and Development, Workforce Planning and Employee Communication. The Strategy will be developed over the next 12 months with an action plan finalised for June 2015 and will cover the period 2015 to 2020. The plan will be adapted during this time to meet the changing needs of the College through regular reviews. In addition, these reviews will also take account of any emerging employment trends, local, national and EU legislation and best practice in HR and further education.

Arrangements for the implementation of the Strategy will be outlined in an action plan with regular updates to the Committee/Board of Management on progress against the action plan.

7. EMPLOYMENT LAW

Recent changes to employment have included:

- An increase in the Living Wage to £7.85 per hour. The National Minimum Wage is £6.50. As part of the pay award negotiations the College agreed to pay the Living Wage therefore with effect 1 November 2014 no member of staff is paid below £7.85 per hour.
- At an employment law tribunal in October 2014 against British Gas a decision was taken that regular overtime should be included in a member of staff's holiday pay. At the time the member of staff would only be paid basic pay when on holiday. Back pay would only be applicable for the previous 3 months. British Gas

Board of Management

have subsequently appealed the decision. This will have severe repercussions for businesses however the College does not have any staff who work regular overtime. Where a member of staff works additional hours up to full time, these hours attract holiday pay.

- Time off for Ante Natal appointments –with effect 1 October 2014 a husband, civil partner or partner of a pregnant women has the right to unpaid time off to attend up to 2 ante-natal appointments. The College procedure has been reviewed to reflect this change.
- For parents of children born or matched for adoption on or after 5 April 2015 – with effect 1 December 2014 parents will be able to choose how they share the care of their child during the first year after birth. Mothers will still take at least the initial two week following the birth, following that they can choose to end the maternity leave and the parents can opt to share the remaining leave as flexible parental leave. The College procedure has been reviewed to reflect this change.
- Statutory adoption leave and pay – with effect 5 April 2015 the statutory adoption leave will no longer have the 26- week qualifying period, and adoption pay will be brought in line with maternity pay, which will be 90% of normal earning for the first six weeks. The College procedure will be reviewed to reflect this change.
- Unpaid parental Leave - With effect 5 April 2015 the right to unpaid parental leave will be extended to parents of any child under the age of 18 years. The College procedure will be reviewed to reflect this change.
- Surrogate parents eligible for adoption leave – with effect 5 April 2015 provided they meet the eligibility criteria parents who have a child through surrogacy will be permitted to take ordinary paternity leave and pay, adoption leave and pay and shared parental leave and pay. Both parents will also be entitled to take unpaid time off to attend two antenatal appointments with the woman carrying the child. The College procedure will be reviewed to reflect this change.

8. GRADINGS

During the previous session there were no regRAding requests.

9. DISCIPLINE/GRIEVANCE

During the previous session there was one disciplinary hearing and two grievances.

	<i>Disciplinary</i>	<i>Outcome</i>
9.1	Falsification of records	Final written warning given. Member of staff appealed this decision, but appeal was overruled.

	<i>Grievance</i>	<i>Outcome</i>
9.2	Failure by HR and Line Manager to follow College procedure relating to sickness absence and lack of contact from line manager during absence.	Initially not upheld for point 1 and partially upheld regarding point 2, went to Appeal and point 1 was fully upheld with point 2 remaining partially upheld.
2.	Failure of Curriculum Leader to provide adequate support to staff.	Upheld. Support and an action plan put in place for the CL.

10. RECOMMENDATION

Members are requested to note this report.

Board of Management

DISPOSAL OF PROPERTY

1. Purpose

This report provides an update to Board members on the current situation regarding property located at Catherinefield, Heathhall, Dumfries.

2. Background

Catherinefield is part of the College estate in Heathhall, Dumfries. It was previously a nursery operated by the College and in the main was used by private clients. A decision was taken prior to the College move to the new site that the College would not continue to operate a nursery. As a result the building became surplus to requirements and was marketed on the open market with no success. There was however interest from a company who wished to continue operating the building as a nursery and as a result the College entered in to a five year lease agreement. This lease is due to expire in June 2016.

The building has required general maintenance over the period of the lease to date and this is expected to continue with potentially increasing costs.

3. Proposal

Following a review of the College estate the building would not be required for long term plans. The proposal is therefore to dispose of Catherinefield from the College Estate at the end of the current lease agreement. In the first instance the property would be marketed to the current tenant. If this was unsuccessful the property would then be placed on the open market. An updated evaluation would be required for the building as the previous evaluation was in 2009 and was approx £150,000.

Permission would be required from the Scottish Funding Council for disposal of the building and agreement sought that the College retain any income from the sale.

4. Recommendation

Members are requested to approve the disposal of the property at Catherinefield, Dumfries.

Board of Management

Key Performance Indicator Report

	WSUMs		Enrolments						
	Actual	Target	Full-time					Part-time	Total
			HE Dfs	HE Str	FE Dfs	FE Str	Total		
2014/15 **	39,256	42,529	473	35	884	214	1606	2513	4119
2013/14	42,598	42,529	393	-	984	255	1632	4098	5730
2012/13	39,014	38,711	373	-	958	285	1616	3938	5554
2011/12	39,756	39,670	302	-	944	277	1523	4770	6293

** as at 23rd February 2015

	Retention (%)				Outcome (%)			
	Full-time Further education		Full-time Higher education		Full-time Further education		Full-time Higher education	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target
2014/15**	78	75	89	82	n/a	67	n/a	74
2013/14	74	74	82	81	64	65	71	72
2012/13	73	74	80	80	63	63	70	73
2011/12	72	72	78	78	61	61	70	61

**as at 23rd February 2015

	Actual YTD (£M)	Flexed Budget YTD	Variance YTD	Revised Projection
➤ <u>Finance at 31.01.15</u>				
Income	£10.297	£10.238	£0.059	£16.224
Expenditure	£9.681	£9.608	£0.073	£16.191
Operating Surplus (Deficit)	£0.616	£0.630	£0.014	£0.033

Strategic Plan 2008-2015 Risk Register

Risk No.	Strategic Aim	Risk Description	Inherent Risk			Controls in Place	Assurances	Internal/ External	Residual risk			Further Action	Risk Owner
			Likelihood	Impact	Total				Likelihood	Impact	Total		
1	SA 6	Unable to achieve WSUM target	2	4	8	1. Real time monitoring system. 2. Contingency plans in place to offer additional provision as required. 3. Annual review of staffing and provision to rebalance areas of growth with areas of decline. 4. Annual review carried out by internal audit	1. Reviewed by SMT on a weekly basis 2. Reviewed by SMT on a weekly basis 3. Review carried out by HR and presented to SMT for consideration/approval. 4. Internal audit report presented to audit committee	Internal / External	1	3	3	No further action.	JB
2	SA 1, 3 & 6	Loss of collaborative partnership arrangements	2	3	6	1. Policy of limiting dependence on any one partnership. 2. Regular reporting of partnership issues at SMT. 3. Constant scanning to identify new potential partnerships.	1. Currently not specifically reviewed 2. SMT meetings/minutes 3. SMT meetings/minutes	Internal	1	2	2	No further action. Although policy not specifically reviewed, any issues would be identified through regular reporting at SMT. Internal audit review planned for 14/15	SMT
3	SA 1 & 6	Imbalance between demand for student support funds/bursaries and funds available	2	3	6	1. Detailed analysis and monitoring of spend undertaken on an ongoing basis by Finance Manager, discussed monthly with VP (CS&G) who updates SMT. 2. Allocation and amounts reviewed on an annual basis to ensure funding constrained within amount available. 3. Annual review carried out by internal audit	1. SMT meetings/minutes 2. SMT meetings/minutes 3. Internal audit report presented to audit committee	Internal / External	1	2	2	No further action but continue to monitor expenditure and amend student funding policies to match demand with available budget	JB
4	SA 1, 2 & 6	Impact of the implementation of new 'needs led' funding model along with the simplification approach (WSUM replacement)	4	4	16	1. Principal member of College Sector Funding Group. 2. Vice Principal (CS&G) college lead in the parallel running of new simplification approach 3. Continuous review of curriculum and delivery by SMT to ensure that adverse impact minimised.	1. Feedback to SMT and Board meetings 2. Reports to L&T Committee	Internal	2	2	4	1. Parallel running of simplification methodology in 14/15 with full implementation starting 15/16. Implementation of 'needs led' funding approach in 15/16. Internal audit review planning for 15/16	CAT/ JB
5	SA5 & 6	Unable to agree Pay Award	2	4	8	1. Detailed financial planning undertaken and approved by Finance and General Purposes Committee to ensure "affordability" of any offer. 2. Clear and well established negotiation processes in place with recognised unions. 3. Government suggested maximum 1% pay awards for 2014/15 and 2015/16.	1. F&GP meetings/minutes 2. Feedback to SMT and the Board 3. Included in budget which is monitored and reported through F&GP	Internal	2	2	4	Monitor Grant settlement and maintain dialogue consultations with unions	HP
6	SA 1,2,3,4,5,6,7	Disruption to business continuity due to Influenza pandemic, terrorism, fire or other disaster	2	4	8	1. Business continuity plan in place (check audit report recs)	1. Reviewed by SMT and report to Board 2. Internal audit review carried out in 11/12	Internal / External	2	2	4	Implementation of audit recs	SMT
7	SA 1 & 6	Failure to maintain student numbers	2	4	8	1. Strategies in place to improve retention. 2. Self evaluation process. 3. Poorly performing programmes removed from the curriculum.	1. Monitored at course level and review by SMT. Exception reporting to Board. 2. Monitored through self evaluation process and reported to SMT and L&T committee	Internal	1	3	3	Internal audit review planned 13/14	SMT
8	SA 6	Loss of 'charitable' status	2	4	8	1. Internal control and governance arrangements in place to meet requirements of OSCR. 2. Work with Scotland's Colleges to influence and respond to any potential change to legislation affecting charitable status.	1. External audit coverage as part of annual review of financial statements	External	1	2	2	No further action	CAT
9	SA 6	Downturn impacts on recruitment of Modern Apprentices	2	3	6	1. Maintain regular dialogue with training bodies. 2. Alter curriculum delivery to accommodate low numbers as and when required. 3. Contracts with relevant sector skills bodies and SDS in place.	1. Curriculum plans approved by SMT and L&T Committee 2. Curriculum monitor contract on ongoing basis	Internal	2	2	4	Reduction in demand and income to be balanced by staffing reductions. Planned internal audit on strategic planning in 14/15	SAW/ CAT
10	SA 1,2,3,4,5,6,7	Public sector funding cuts	4	4	16	1. Scenario planning undertaken and measures to offset reduction identified which is then used to inform curriculum planning. 2. Annual review of provision undertaken through planning and budgetary process to ensure match of income and expenditure.	1. Curriculum plans approved by SMT and L&T 2. Budget approved by the Board	Internal	2	4	8	Reduce curriculum provision in line with funding and implement cost savings. Seek to increase non SFC income.	SMT
11	SA 6 & 7	Changes to structure of FE colleges in Scotland adversely impacts on DAGCOL	2	4	8	1. D&G now confirmed as a single college region. Uncertainty still exists about future Crichton relationship and impact of being second smallest region in Scotland. Current indications are that college is region earmarked for growth.	1. Scottish Government confirmed D&G as a single college region 2. Principal member of Crichton Leadership group and feeds back to SMT and Board	Internal / External	1	2	2	Proactive involvement of SMT and BoM in process	SMT
12	SA 6 & 7	ONS reclassification of college impacts on governance, financial arrangements and ability to develop capital projects	4	4	16	1. Senior Management and Finance Manager representation at relevant briefings and ongoing monitoring of changes 2. External audit advice	1. Feedback to SMT and Board	Internal/ External	2	2	4	External audit will review any changes to accounting treatments	SMT
13	SA 3,5 & 6	Facilitate and support R&D in small and micro-business through the provision of facilities, equipment and infrastructure to help businesses develop new commercial products and processes	3	4	12	1. Detailed monitoring undertaken on a daily basis by Vice Principal - Monitoring by and reporting to Lead Partner - Extra support provided by Vice Principal to ensure efficient start up of CREST project	1. Feedback to SMT and Board	Internal / External	2	2	4	No further action	SAW
14	SA 1,2,3,5 & 6	Unable to increase Broadband width	4	4	16	1. Vice Principal (CS&G) member of H&FE Sector Oversight Board for ICT 2. Vice Principal (CS&G) member of Jisc RSC Scotland Advisory Board	1. Implementation of SWAN monitored 2. Feedback to SMT and Board	Internal / External	2	2	4	No further action	JB

Board of Management

Minute of Strategic Session of the Board of Management of Dumfries and Galloway College held on Tuesday 20 January 2015 from 12.30 pm in Room 1074b of the Dumfries campus

Members Present:

Brian Johnstone (Chair)	Sam Glendinning
Delia Holland (Vice chair)	Craig McGill
Janet Brennan	Janice Goldie
Hugh Carr	John Henderson
Kenny Henry	Pat Kirby
Carol Turnbull	Stuart Martin
Karen McGahan	

In Attendance: Jannette Brown, Secretary to Board and Vice Principal (Corporate Services & Governance)
Susan Sutherland, Minute Taker and Executive Team Assistant

Helen Pedley, Director of Organisational Development and Facilities
Andy Wright, Vice Principal (Learning and Skills)

1 Identification of Stakeholders

The Chair led discussion on identifying the major stakeholders of the College, and it was agreed engagement with these would be a focus for the Board. These were listed as:

Students/Families/Communities	Crichton partners
Schools	Community Planning Partners
Scottish Government/SFC	D&G Council
Local Employers	MPs and MSPs

2 Vision 2020

The Principal had issued the completed Vision 2020 document containing the Mission, Strategic Outcomes, and proposed Success Criteria. This was approved and it was noted that the V2020 document would form the basis of the Strategic Plan, and the ROA the Operational Plan, for the College. The Strategic Plan will be brought to the Board meeting in June for final approval.

3 Curriculum Delivery Plan 2015/16

The Principal tabled the Curriculum Delivery Plan for 2015/16, together with a list of schools with whom delivery was planned, which was approved. Members welcomed the presentation of mainstream courses by SCQF levels. They requested further copy with an additional column showing articulation, and a separate sheet showing evening/part-time provision, for their ongoing reference.

4 Regional Outcome Agreement

The Principal had circulated the Regional Outcome Agreement 2015-18 for consideration. The meeting considered and approved the context statements, priority outputs, and outcome progress against targets. It was agreed to continue the practice of updating board on progress against outcomes at regular intervals at future board meetings.

Mainstream Curriculum 2015-2016

SCQF 1	SCQF 2	SCQF 3	SCQF 4	SCQF 5	SCQF 6	SCQF 7	SCQF 8	SCQF 9 Articulation
KEYSKILLS	SKILLSTART ACCESS 2	SKILLSTART ACCESS 3 LIFE LINKS	INTRODUCTION TO CARE	NEXT STEPS TO CARE	ACCESS TO HIGHER EDUCATION	HNC SOCIAL SCIENCES	HNC students can articulate at SCQF level 7/8 (also under 2+2) to the BA in Health & Social Policy at the University of Glasgow on the Crichton Site	
LIFESTART				NEXT STEPS TO HEALTH AND SOCIAL CARE	VOCATIONAL STUDIES IN HEALTH AND SOCIAL CARE	HNC SOCIAL CARE	HNC Students can articulate at SCQF level 7/8 (also under 2+2) to the BA in Health & Social Policy at the University of Glasgow on the Crichton Site	
			INTRODUCTION TO CHILDCARE	NEXT STEPS TO EARLY EDUCATION AND CHILDCARE	NC EARLY EDUCATION AND CHILDCARE	HNC EARLY EDUCATION AND CHILDCARE	HNC students can articulate at SCQF level 8 (also under 2+2) to the BA in Childhood Studies at the University of West of Scotland on the Crichton Site	
					ACCESS TO NURSING (SWAP)	Students can articulate at SCQF level 8 to the BA in Adult Nursing or Mental Health at the University of West of Scotland on the Crichton Site		
			PRINCES TRUST PROGRAMME					
				NC BUSINESS ADMINISTRATION AND IT	ADVANCED BUSINESS ADMINISTRATION AND IT	HNC BUSINESS	HND BUSINESS	HND students can articulate to: BA Applied Enterprise degree at the University of West of Scotland on the Crichton Site; BA Business Management with University of West of Scotland on Crichton site; BA Honours in Business Management with the Open University
					NC BUSINESS AND INFORMATION TECHNOLOGY	HNC ACCOUNTING	HND ACCOUNTING	HND students can articulate to: BA Applied Enterprise degree at the University of West of Scotland on the Crichton Site; BA Accounting with University of West of Scotland on Crichton site; BA Honours in Accounting with the Open University
			INTRODUCTION TO COMPUTING	DIPLOMA IN IT (ICT SUPPORT) - LEVEL 2	SUBSIDIARY DIPLOMA IN IT (ICT SUPPORT) - LEVEL 3	HNC COMPUTING	HND COMPUTING: TECHNICAL SUPPORT	HND students can articulate to: BSc in Networking degree with Glasgow Caledonian University; BA in IT degree at the University of West of Scotland on the Crichton Site; BSc Open degree with the Open University
			FOUNDATION STUDIES IN CREATIVE INDUSTRIES		CERTIFICATE IN ART & DESIGN	HNC ART & DESIGN	HND ART & DESIGN	HND students can articulate to BA Applied Enterprise degree at the University of West of Scotland on the Crichton Site
					CERTIFICATE IN PHOTOGRAPHY	HNC PHOTOGRAPHY	HND PHOTOGRAPHY	HND students can articulate to BA Applied Enterprise degree at the University of West of Scotland on the Crichton Site
					CERTIFICATE IN VISUAL COMMUNICATION (GRAPHIC DESIGN & CREATIVE MEDIA)	HNC VISUAL COMMUNICATION (GRAPHIC DESIGN & CREATIVE MEDIA)	HND VISUAL COMMUNICATION (GRAPHIC DESIGN & CREATIVE MEDIA)	HND students can articulate to BA Applied Enterprise degree at the University of West of Scotland on the Crichton Site
			INTRODUCTION TO SPORT AND LEISURE	DIPLOMA IN SPORT - LEVEL 2	DIPLOMA IN SPORT - LEVEL 3	HNC FITNESS HEALTH AND EXERCISE	HND FITNESS HEALTH AND EXERCISE	HND students can articulate to: BA Applied Enterprise degree at the University of West of Scotland on the Crichton Site; BSc honours degree in Sports, Fitness and Coaching with the Open University
						HNC COACHING AND DEVELOPING SPORT	HND COACHING AND DEVELOPING SPORT	HND students can articulate to: BA Applied Enterprise degree at the University of West of Scotland on the Crichton Site; BSc honours degree in Sports, Fitness and Coaching with the Open University
			INTRODUCTION TO HAIR AND BEAUTY	BEAUTY CARE AND MAKE UP INTERMEDIATE 2	BEAUTY CARE - HIGHER	HNC BEAUTY THERAPY	HND BEAUTY THERAPY	HND students can articulate to BA Applied Enterprise degree at the University of West of Scotland on the Crichton Site
				HAIRDRESSING - INTERMEDIATE 2	HAIRDRESSING - HIGHER			
			INTRODUCTION TO PROFESSIONAL COOKERY	DIPLOMA IN PROFESSIONAL COOKERY (Students given opportunity to achieve SCQF level 6 allowing entry to the HNC)		HNC HOSPITALITY		Future plans to develop an HND if so HND students will be able to articulate to BA Applied Enterprise degree at the University of West of Scotland on the Crichton Site
				NC HOSPITALITY (Students given opportunity to achieve SCQF level 6 allowing entry to the HNC)				
			CERTIFICATE IN VEHICLE MAINTENANCE	DIPLOMA IN VEHICLE MAINTENANCE AND REPAIR PRINCIPLES				
			INTRODUCTION TO ENGINEERING	ELECTRICAL ENGINEERING - LEVEL 5	NC ELECTRICAL ENGINEERING - LEVEL 6	HNC ELECTRICAL ENGINEERING	Currently discussing articulation arrangements with University of Strathclyde	
						WIND TURBINE TECHNICIAN		
					ELECTRICAL INSTALLATION APPRENTICESHIP			
				ENGINEERING FABRICATION & WELDING	NC MECHANICAL ENGINEERING			
			INTRODUCTION TO CONSTRUCTION CRAFTS	SKILLS IN CONSTRUCTION - CARPENTRY AND JOINERY	CARPENTRY & JOINERY APPRENTICESHIP			
				SKILLS IN CONSTRUCTION - BRICKWORK	BRICKWORK APPRENTICESHIP			
				SKILLS IN CONSTRUCTION - PAINTING AND DECORATING	PAINTING AND DECORATING APPRENTICESHIP			
				SKILLS IN CONSTRUCTION - PLUMBING	PLUMBING APPRENTICESHIP			
				SKILLS IN CONSTRUCTION - MULTI CRAFTS	CONSTRUCTION TECHNICIAN CERTIFICATE	HNC CONSTRUCTION	Credit transfer arrangements at SCQF level 8 to the BSc Architectural Technology with Edinburgh Napier University Credit transfer arrangements at SCQF level 8 to the BSc Construction Management with Glasgow Caledonian University Arrangement in place where students can undertake HND Construction Management at South Lanarkshire College	

CRICHTON CAMPUS STAKEHOLDERS



Board of Management

The College is a member of the Crichton Campus Leadership Group (CCLG) which was created to facilitate a shared understanding of the skills, education and training needs of Dumfries and Galloway, through effective engagement with key stakeholders. It also plays a key role in raising the profile and maximising the impact of collaborative activity on the Crichton campus for the region, and capitalising on the attractiveness of its unique location in the UK and international markets.

The CCLG consists of groups that do not normally make strategic plans together, but this is a potential strength of the CCLG – to bring those parties together to give a stronger strategic focus for academic provision and community outreach activities, directly relevant to the social, economic, workforce and cultural needs of communities in Dumfries and Galloway. The College is recognised as a key player in the CCLG. Each party represented on the CCLG has its own strategic aims and objectives. The remit of the CCLG is as follows:

- To advise the academic partners and facilitate a shared understanding of the skills, FE and HE education and training needs of Dumfries and Galloway.
- To support the development of a collaborative strategic vision for provision at the Crichton Campus.
- To advise and support the collaborative provision delivered at the Crichton Campus, ensuring that the academic partners' activities are informed by the social, economic and cultural profile of the region.
- To support the academic partners' dialogue with the Community Planning Partnership on the potential contribution of the Crichton Campus to the economic growth and development of the region.
- To support the academic partners' dialogue and direct interfaces with Dumfries and Galloway Council and to contribute to this in respect of local school provision and its links to activities on the Crichton Campus.
- To advise and review progress on a Consolidated Outcome Agreement for the Crichton Campus