



Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

Review of Regional Strategic Bodies – Lanarkshire Board



SFC Publication

Issue Date: 20 October 2020

Cover photo credit: New College Lanarkshire

Contents

Review of Regional Strategic Bodies – Lanarkshire Board	3
Introduction	3
Methodology	3
General background to RSBs	4
Specific background context to Lanarkshire	6
The Lanarkshire RSB	6
Unique challenges	6
Regional Strategy.....	7
Leadership changes – NCL, SLC and the Lanarkshire Board.....	8
Summary of main conclusions.....	8
Detailed assessment.....	11
Planning provision within the region (right provision in the right place).....	11
Funding allocations and performance monitoring.....	12
Efficiency of the RSB, and its colleges (maximising efficiencies)	13
Consultation and collaboration.....	15
Recommendation	16
Next steps	17
Appendix A - List of consultees responding to the questionnaire	19
Appendix B - List of stakeholders represented at evidence sessions	20
External stakeholder organisations represented.....	20
Senior Managers of the colleges	20
Lanarkshire Board/RSB	20
Scottish Funding Council	20
Appendix C – documents referenced in the review.....	21

Review of Regional Strategic Bodies – Lanarkshire Board

Introduction

1. In 2014 the Post-16 Education (Scotland) Act 2013 and The Lanarkshire Colleges Order 2014 made the Board of New College Lanarkshire (NCL) the Regional Strategic Body (RSB) with overarching responsibility for the planning and delivery of provision in the region via its two colleges. The Lanarkshire Order assigned South Lanarkshire College (SLC) to NCL. The Lanarkshire Board became one of three RSBs in multi-college regions across Scotland¹. SFC has a statutory duty to assess and enhance the performance of RSBs² and since 2014 has worked closely with the Lanarkshire Board.
2. Recent Audit Scotland reports have highlighted progress of each of the RSBs on meeting accountabilities and developing partnership arrangements in their respective regions. Specifically, the Audit Scotland report 'Scotland's Colleges 2018'³ recommended that the Scottish Government and the Scottish Funding Council (SFC) should assess and publicly report on the extent to which RSBs are meeting the aims of regionalisation. SFC recognises that the three RSBs are very different in their structure and operation. SFC initiated a review process for the three RSBs in 2019.
3. This report is the summation of SFC's assessment of the effectiveness of the Lanarkshire RSB, the Lanarkshire Board, in meeting its core statutory duties and wider aims of regionalisation. It also considers the extent to which governance structures and lines of accountability are clear and facilitate good working practices. Broadly, our assessment is based around the key responsibilities and themes outlined in the Further and Higher Education (Scotland) Act 2005. These five themes were central in the self-evaluation exercise, the written consultation with stakeholders and during discussions on the day SFC met with the Lanarkshire Board and key stakeholders:
 - Planning provision within the region.
 - Funding.
 - Performance monitoring.
 - Efficiency of the RSB, and its colleges.
 - Consultation & collaboration.

Methodology

4. The Lanarkshire Board was asked to complete a self-evaluation of its performance in meeting its legislative duties and responsibilities. SFC provided a template to

¹ The other Regional Strategic Bodies are the Glasgow Colleges' Regional Board and the University of the Highlands and Islands.

² S.13A of the Further & Higher Education (Scotland) Act 2005

³ <https://www.audit-scotland.gov.uk/report/scotlands-colleges-2018>

ensure consistency across the three reviews being undertaken. SFC asked that the full Board consider the self-evaluation prior to submission and that the final document should be copied to its assigned colleges. This self-evaluation has been published and can be found on the New College Lanarkshire website⁴.

5. At the same time SFC also contacted a range of stakeholders who were identified as central to the colleges' delivery of provision in Lanarkshire and asked them to respond on a range of questions to inform the review.
6. SFC considered the judgements and views presented in the self-evaluations alongside the initial responses from stakeholders. SFC also drew on the current knowledge and evidence it has from working alongside the Lanarkshire Board in recent years as the fundable body in Lanarkshire. A key source of evidence was the Lanarkshire Region Outcome Agreement which the Board has been responsible for delivering since 2014. SFC also drew on a range of planning and reporting documents issued by the Board.
7. SFC then arranged evidence sessions with the Lanarkshire Board, and their key internal and external stakeholders, to discuss their self-evaluation and seek further evidence of the Board's performance in delivering on regional aims and achievement to date and the impact of decisions taken. These sessions were held at the Coatbridge Campus, New College Lanarkshire on 7 October 2019.
8. SFC also took account of any additional feedback submitted in the weeks following the evidence sessions up until the end of November.
9. Appendix A lists stakeholders who submitted evidence to the review of the Lanarkshire Regional Board.
10. Appendix B lists those who attended the evidence sessions.
11. Appendix C lists additional documents which were used in the review.
12. **In undertaking and reporting on the review SFC acknowledges that the sector is operating in an environment that is complex, changing, and difficult to predict. In particular, there is uncertainty around future public finances and the UK's exit from the European Union, alongside financial pressures from pay and pension contributions, demographic and migration changes, and increasing competition for students.**⁵

General background to RSBs

13. The RSBs are bound by a Financial Memorandum with SFC, which sets out the relationships and accountabilities between SFC and the institutions it funds. Assigned colleges are funded by the RSBs and in turn are bound by a Financial

⁴ <https://www.nclanarkshire.ac.uk/media/4981/item-10-rsb-self-evaluation-questionnaire-july19.pdf>

⁵ Subsequent to the review the sector is now also responding to a global pandemic.

Memorandum with the RSB which funds them. In both cases compliance with the Financial Memorandum is a condition of grant funding. SFC provides funding to the RSB for the delivery of the region's Outcome Agreement; it is then for the RSB to decide on how those funds should be allocated among the colleges.

14. Each RSB monitors its assigned colleges' financial performance and progress towards delivery of activity targets. SFC monitors the RSBs' performance through the Regional Outcome Agreement (ROA). The ROA sets out what the region will deliver in return for SFC core funding, and the RSB is accountable for that delivery. SFC regularly monitors RSBs' progress against the activity targets and measures in the ROA.
15. There are a few areas where assigned colleges continue to report jointly to SFC and their RSB, because of practical considerations. An example of this is colleges' submission of monthly cash flow returns which inform payment of SFC grant, where time pressures are a constraint. Another example where SFC continues to liaise directly with assigned colleges is around activity data collection and the integrity of that data; this approach is more efficient than SFC engaging with RSBs.
16. RSBs also provide a central point of contact for employers and other stakeholders (e.g. Community Planning Partnerships, Local Authorities, Skills Development Scotland) to engage at a regional level, rather than with individual colleges, thereby ensuring a coherent offering via a regionally responsive curriculum.
17. SFC recognises that to some extent geographic challenges will limit the curriculum efficiencies that can be realised in some regions. This is particularly true in Lanarkshire and the Highlands & Islands, but also to a lesser extent in Glasgow. There may be scope for regions to concentrate some specialised provision on a single campus, or at one college, but it is important that further education provision is available locally within regions (this also applies to multi-campus colleges where those campuses are widely geographically dispersed).

Specific background context to Lanarkshire

The Lanarkshire RSB

18. The Lanarkshire model is different from the structures in the other two multi-college regions with RSBs, in that the Lanarkshire Board has responsibility through the legislation for regional governance as well as governance of NCL. This means the governance structures for the RSB are also those of NCL. This is a challenging set of arrangements to operate for Board members given their dual regional and NCL roles.
19. South Lanarkshire College is assigned to the RSB. The Principal, Chair and three other members of the South Lanarkshire College Board are also members of the NCL Board. The Chair of the Lanarkshire Board also sits on the Board of South Lanarkshire College.
20. SFC provides funding to the Lanarkshire Board, as the RSB, for the delivery of the priorities outlined in the region's Outcome Agreement; it is then for the RSB to decide on how those funds should be allocated across the two colleges. The colleges work together to plan and deliver provision for the region. The Lanarkshire college region comprises the Local Authority areas of East Dunbartonshire, North Lanarkshire and South Lanarkshire. The Lanarkshire Board monitors the performance of both colleges in meeting regional needs, and the Board and its committees receive and consider reports from both colleges.
21. The main executive support and professional services required for the Lanarkshire Board are provided by NCL staff. The Principal of NCL is also the designated Chief Officer of the RSB. There is an independent Board Secretary, and an assistant to the Chair, who work solely to the Board and report to the Chair. NCL's 2018-19 annual accounts disclose that RSB-related costs were £62,000 (£74,000 for 2017-18).
22. The RSB assumed governance responsibilities only six months after the second phase of the merger which formed the larger New College Lanarkshire (NCL). On 1 November 2013 Cumbernauld College and Motherwell College merged. The remaining Colleges in the region, South Lanarkshire College and Coatbridge College decided not to merge but continue to be part of the Lanarkshire Federation. Subsequently the Board of Coatbridge College sought to merge with NCL with the merger completed on 1 April 2014. In October 2014 NCL was designated the Regional Strategic Body (RSB) with SLC assigned to the RSB.

Unique challenges

23. SFC acknowledges that from 2014 the Board of NCL faced a set of unique challenges as it was steering the newly merged entity of NCL while taking on new regional responsibilities as the Lanarkshire Board. From the outset the Board faced a challenging context in Lanarkshire in terms of geography and historical legacy,

and the bringing together of two diverse colleges with differing missions, culture, scale and leadership style, to deliver a joined up regional approach. There has been mixed success as a result.

24. SFC is mindful of the key legacy issues which were referred to in the post-merger evaluation of NCL published in 2016. This evaluation concluded that this merger had been implemented well given the challenging context pre and post-merger and demonstrated initial success in terms of NCL's achievements for students, stakeholders and staff. The strategic leadership of the Board was recognised as key in the success of the merger, alongside the commitment of the Principal, the senior team and highly committed teaching and support staff. However, it was acknowledged that ongoing work was required to create a 'one college' culture and a new entity moving forward.
25. The NCL Board inherited a difficult set of circumstances in relation to Coatbridge College which it had to address post-merger. These issues required senior management to spend significant time investigating and resolving issues post-merger. The Lanarkshire Board, including its Chair and Committees, approached these issues robustly and effectively.
26. From 2016 SFC was engaging closely with the Lanarkshire Board as it responded to a set of serious financial issues at NCL. In 2017 work began on the development of the Lanarkshire Business Plan to address the predicted deficit. During this period, from 2016, the Lanarkshire Board required to turn its attention and efforts to addressing the financial issues at NCL. As a result there may have been limited time for the Board to focus on addressing the challenging regional remit.
27. Since then the Board has made good progress in delivering the key actions in the Business Plan to address the NCL financial challenges. Savings have been delivered primarily through voluntary severance activity but also in non-staff costs. The NCL management team has engaged positively with SFC and has taken independent advice to ensure the College delivers on the key commitments in its Business Plan. SFC continues to monitor the Board's delivery against the key outcomes in the Plan through normal engagement and to ensure ongoing adjustment as required.

Regional Strategy

28. In 2018 the Lanarkshire Board produced a Lanarkshire Regional Strategy 2018-2023⁶
29. outlining its purpose, vision and values. This was an aspirational document, approved by the Lanarkshire Board and owned by both Chairs and Principals, which aimed to deliver for students and key stakeholders in Lanarkshire. Although badged as the Lanarkshire Regional Strategy, there is a lack of clarity in the

⁶ <https://www.nclanarkshire.ac.uk/media/4209/lanarkshire-regional-strategy-2018-23.pdf>

document on who would take ownership of delivering on the regional aspirations and how they would be progressed.

Leadership changes – NCL, SLC and the Lanarkshire Board

30. In September 2018, the Vice Chair of the Lanarkshire Board assumed the role of Chair under interim arrangements. The focus was on continuity and stability for the Board during this period. A new Chair was appointed in August 2019. In June 2018 a new Chair was appointed at SLC. Between June and August 2019 there were significant changes in the senior team at NCL as the Principal and the Vice Principal both moved to take up new posts. An Interim Principal was in place at NCL between September and November 2019 until the new Principal took up post alongside other interim arrangements. In spring 2020 the Principal of SLC retired and a new Principal was appointed.

Summary of main conclusions

31. Following SFC's review it is our assessment that considering the regional structure, the RSB (the Lanarkshire Board) is meeting the core statutory requirements, however, it has not yet been able to evidence full impact and delivery on the additional benefits anticipated as a result of regionalisation.
- A Regional Outcome Agreement (ROA) has been submitted by the Lanarkshire Board and agreed with SFC from AY 2015-16 onwards. However, based on the evidence presented at the point of review, and despite more recent aspirations, the Board would require to put in place different strategies to ensure more effective joint regional planning and delivery of provision which should be demonstrated in future ROAs
 - Fundable body status was achieved early and since 2015 the Lanarkshire Board has agreed the allocation of resources to the two colleges to deliver on their respective ROA commitments (including some transfer of credits between the two colleges to meet regional need). The discussions around the funding allocation have been an integral part of the ROA process. However, evidence suggests that at an executive level challenges have continued around funding decisions endorsed by the Board. The Board should provide clarity to both colleges on the role of the Lanarkshire Board in relation to funding decisions and seek to ensure that it continues to have relevant committees in place which work effectively to promote and support this.
 - The executive and professional services required to deliver the regional priorities set by the Lanarkshire Board and ensure implementation of a regional approach are the responsibility of senior NCL staff and this lean arrangement keeps the cost of the RSB minimal. Had there been willingness from the outset to come together to deliver regional priorities, and accept without reservation the expected regional collaboration, this lean arrangement could have been

extremely successful. However, these NCL staff have existing full-time roles and are already fully engaged with their college duties and responsibilities. This includes the Principal who is also Chief Officer for the RSB. There is therefore no clear, dedicated regional lead or regional executive in place to support the challenging day-to-day operation of the regional arrangements. At the Board level there is a designated Secretary for the Lanarkshire Board and an Assistant to the Chair.

- Although the Board can evidence some success via the Regional Outcome Agreement a more focused and collaborative approach around curriculum planning, student success and meeting the needs of employers would be required in future to fully deliver on their aspirations to deliver benefits for all students and stakeholders in Lanarkshire. This might be facilitated by having a dedicated regional lead in place (who does not already have an existing role at NCL) to provide strategic direction for the regional activity of the Lanarkshire Board and support the day-to-day operational activities, although we accept this is arguable.
 - There is evidence of some progress in collaborative working across the two colleges; particularly on Foundation Apprenticeships (with SDS) and Developing the Young Workforce. This is likely to be having some positive impact on the student experience, and contribute to parity of experience. There are examples of more recent joint working across the region but it is too early to assess the impact of these actions.
 - Feedback suggests there has been a renewed focus on student engagement and representation within both colleges in the last year. The officers of the Students' Associations of each college talk regularly to each other and work jointly to support students. This is a priority for the Lanarkshire Board. The colleges should build on these positive developments to encourage further student collaboration across the region.
32. Having taken account of all the evidence presented, it is SFC's view that the regional governance arrangements have not as yet been able to deliver any significant regional benefits or added value for students and other stakeholders, including employers. This view concurs with that expressed in the Audit Scotland report *Scotland's Colleges 2018*⁷: "Under the regional structure, New College Lanarkshire and South Lanarkshire College are working together to meet core statutory requirements, but the regional arrangements are not delivering any significant regional benefits" (page 30, Part 3, Key Message 4). It is therefore unlikely that there have been any significant additional outcomes or economic impact from the regional arrangements to-date.

33. During this review SFC did hear evidence that confirms there was a renewed effort during 2019 by the Lanarkshire Board to deliver on the benefits expected from regionalisation and as outlined in the Lanarkshire Regional Strategy. However, SFC was also alerted to additional challenges and issues which, when taken together, may have prevented more significant regional progress. These issues and challenges are explored in the following section and in our conclusions for the way ahead.

Detailed assessment

34. As part of the self-evaluation SFC set out a series of questions consistent with the relevant sections of the Act which were designed to capture detail of activity but also to identify the structures and processes underpinning progress and the extent to which these are supporting RSBs to fulfil their statutory responsibilities.

Planning provision within the region (right provision in the right place)

35. The evidence presented in the self-evaluation, and also evident in the AY 2019-20 Lanarkshire Region Outcome Agreement (ROA), confirms that the Lanarkshire colleges undertake a comprehensive analysis of labour market intelligence to ensure that they plan effectively and provision meets national, regional and local employer needs. The main sources of intelligence are the Regional Skills Assessments (RSAs), Skills Investment Plans (SIPs) relating to specific industries, and national labour market analysis databases. This is reconciled with locally generated employer information to which each college has access. This intelligence is shared and discussed throughout the year by senior staff from each college as part of the ROA process. A single unified Regional Context Statement is provided in the ROA. More recently there has also been engagement with the wider Glasgow City Region Skills Investment Plan, bringing together the six colleges in the City Region area around a shared skills agenda.
36. It was less clear from the evidence how this information was then used to plan the right provision in the right place across the Region. Reference was made to the 5-year Regional Strategy 2018-2023, the individual college strategic plans, and the more recent MOU agreed between the RSB and its Regional and Assigned colleges, but there was no detail as to what structures and processes were in place to ensure that the regional approach was delivered effectively. Reference was also made to the authoring role of the Board's Curriculum, Student Affairs and Outcomes Committee, but there was little detail provided on the day about how this worked to influence real change in practice across the two colleges.
37. The evidence SFC heard from stakeholders on the day of the review visit suggested that although each of the colleges are responsive to local employer needs in planning their own provision, there was no coherent regional planning in place. Stakeholders pointed out that there was no regional point of contact for curriculum and skills planning and therefore employers continued to have separate conversations with the colleges. Other stakeholders confirmed that they did not engage with the executive at a regional level but they also continue to have separate, but extremely positive and constructive, relationships with the individual colleges.
38. Some stakeholders drew attention to the fact that each of the local authority areas have quite specific needs, and therefore they concluded that local rather than regional planning was preferable. This view was not entirely supported by the

Lanarkshire Board members SFC met with on the day, who pointed to the significant additional benefits for students and employers still to be gained from taking a more strategic regional approach.

39. In its self-evaluation the Lanarkshire Board concluded that the potential for movement of students between the colleges was extremely limited and therefore it was more challenging to think and act regionally on curriculum and other issues. This was also acknowledged by several of those giving evidence on the day who confirmed that the geography of Lanarkshire, with poor public transport, does not allow the movement of students across local authority boundaries.
40. However, SFC is aware through the ROA that individually both colleges are responding effectively to local skills needs through reviewing and adapting their curriculum despite this lack of joined-up regional planning. Particular areas where there has been a positive shift are Health and Social Care, Early Learning and Child Care, Hospitality and Construction. The ROA also clearly states the Region's commitment to widening access and equalities. Both colleges have effective engagement with learners from the most deprived communities and have ambitions to grow this further. The proportion of the population from the 10% most deprived postcode areas (SIMD 10) is 11.6%. Both colleges have in place the required supporting strategies including Access and Inclusion, Equalities, Mental Health and Wellbeing, Developing the Young Workforce and a Gender Action Plan.
41. The Board expressed aspirations to become more effective in its regional strategic planning. More recently it had discussed the potential to progress a regional curriculum/skills mapping and alignment project to ensure the delivery of the right provision in the right place.
 - **SFC conclusion: A Regional Outcome Agreement (ROA) has been submitted by the Lanarkshire Board and agreed with SFC from AY 2015-16 onwards. However, based on the evidence presented at the point of review, and despite more recent aspirations, the Board would require to put in place different strategies to ensure more effective joint regional planning and delivery of provision which should be demonstrated in future ROAs.**

Funding allocations and performance monitoring

42. Fundable body status was achieved early on. It is now the role of the RSB in Lanarkshire to ensure the appropriate funding for each of the colleges. A regional credit target is set by SFC. Since 2015 the Lanarkshire Board has agreed the allocation of resources to the two colleges to deliver on their respective ROA commitments. There are clear and robust targets set for all national and local priorities for the region, and for the two colleges, and these are monitored and reported via both the RSB and SLC Committees. A Regional Finance Working Group meets regularly to discuss matters of common interest.

43. In discussions with the Board and senior staff of the colleges it was evident that tensions and challenges have existed every year around the Lanarkshire Board's strategic allocation of core resources across the two colleges. SFC was not satisfied that there was currently a robust protocol and set of structures for resource allocation that would prevent this continuing to happen in future.
44. The Board has shown that it is able to reallocate resources strategically. During 2018-19 NCL advised that it wished to reduce its funded credit target by 1,900 credits. South Lanarkshire College delivered 900 additional credits, leaving 1,000 credits for redistribution to other regions. There was an associated funding transfer from New College Lanarkshire to South Lanarkshire College for the reallocated regional credits. The reduction of 1,000 credits for the region led to a reduction in SFC grant of £159,450.
45. In its self-evaluation the Board recognised that "reference points such as strategies, policies or procedures covering both the disbursement and audit of SFC funding to each of the colleges have yet to be developed" (p8). The report also noted that a current review put in place at NCL has been designed to consider the current regional operating arrangements. On the day of the review SFC heard some positive comments on the effectiveness of the Committees of the Board, including the Finance Committee, and how they are operating to ensure transparency and commitment, however this was not a consistently shared view.
- **SFC conclusion: Fundable body status was achieved early and since 2015 the Lanarkshire Board has agreed the allocation of resources to the two colleges to deliver on their respective ROA commitments (including some transfer of credits between the two colleges to meet regional need). The discussions around the funding allocation have been an integral part of the ROA process. However, evidence suggests that at an executive level challenges have continued around funding decisions endorsed by the Board. The Board should provide clarity to both colleges on the role of the Lanarkshire Board in relation to funding decisions and seek to ensure that it continues to have relevant committees in place which work effectively to promote and support this.**

Efficiency of the RSB, and its colleges (maximising efficiencies)

46. From 2012 until the first merger in 2014 the four colleges in Lanarkshire worked together in a positive, effective and efficient way to produce the Lanarkshire Region Outcome Agreement. The first Outcome Agreement negotiated with the new regional structures in place was the ROA for AY2015-16. The two colleges in Lanarkshire continued to work together, taking a joined-up approach, where they each brought their own responses and priorities to the negotiating table. In 2018 the Lanarkshire Board presented a document to Audit Scotland to evidence the benefits of regionalisation realised, which also referred to the way in which efficiencies have been maximised. These same points, noted below, were also presented in the self-evaluation.

47. The Lanarkshire Board has responsibility through the legislation for regional governance as well as governance of New College Lanarkshire. Therefore the governance structures for the RSB are also those of the College, keeping overall costs low. Both colleges contribute to the cost of the overall regional administration and structures in place for the Lanarkshire Board. The self-evaluation highlighted that although the costs of supporting the RSB in its duties are not large “currently the time associated with delivery of the RSB functions at the moment is viewed as being considerable” (p 10, Lanarkshire Regional Strategic Body self-evaluation questionnaire).
48. However, the additional evidence we heard from internal stakeholders confirmed that in reality these regional support structures are minimal, with no dedicated regional lead or executive in place. The associated workload has been picked up by senior staff that already have existing, and in many cases extremely demanding, roles. There is no clearly identified promotional activity or communication at a regional level. As already noted, for the Board members themselves this is a challenging set of arrangements to operate.
49. More positively, the two colleges have collaborated effectively with Advanced Procurement for Universities and Colleges on joint procurement in areas such as waste management and catering, and more recently they have also jointly pursued an initiative to procure specialist resource in Data Protection and Information Security. The two colleges also showed that they collaborate on student recruitment to ensure that if a student applies and is accepted by one college, the other does not make an offer to the same student, therefore ensuring that places are not blocked.
50. During the review SFC did not hear any evidence from the external stakeholders to suggest that they were aware of regional collaboration or efficiencies that were impacting positively on students or stakeholders more widely. The Lanarkshire Board acknowledged that much more work would be required in future, through both a more strategic approach focusing on curriculum collaboration, organisational infrastructure and finance opportunities and through more collaborative working in areas such as performance improvement. The Board indicated that this is being addressed in a regional collaboration plan currently under development which builds on the Lanarkshire Regional Strategy published in 2018. The plan is being led at Vice/Deputy Principal level in both colleges.
51. As an assigned college SLC is required to report to the Lanarkshire Board on the effectiveness and efficiency of its operations.
52. Although flowing from a desire to simplify and keep costs to a minimum, the structure of the Lanarkshire Board with no clearly delineated regional governance arrangements or dedicated staff means it has been challenging to operationalise effectively and show independence of decision making. At the Board level there is a designated Secretary and an Assistant to the Chair.

- **SFC conclusion:** The executive and professional services required to deliver the regional priorities set by the Lanarkshire Board and ensure implementation of a regional approach are the responsibility of senior NCL staff and this lean arrangement keeps the cost of the RSB minimal. Had there been a willingness from the outset to come together to deliver regional priorities, and accept without reservation the expected regional collaboration, this lean arrangement could have been extremely successful. However, these NCL staff have existing full-time roles and are already fully engaged with their college duties and responsibilities. This includes the Principal who is also Chief Officer for the RSB. There is therefore no clear, dedicated regional lead or regional executive in place to support the challenging day-to-day operation of the regional arrangements. At the Board level there is a designated Secretary for the Lanarkshire Board and an Assistant to the Chair.
- **SFC conclusion:** Although the Board can evidence some success via the Regional Outcome Agreement a more focused and collaborative approach around curriculum planning, student success and meeting the needs of employers would be required in future to fully deliver on their aspirations to deliver benefits for all students and stakeholders in Lanarkshire. This might be facilitated by having a dedicated regional lead in place (who does not already have an existing role at NCL) to provide strategic direction for the regional activity of the Lanarkshire Board and support the day-to-day operational activities, although we accept this is arguable.

Consultation and collaboration

53. Individually both colleges in Lanarkshire have strong and effective relationships with schools, employers and local authorities. Each also has a range of stakeholders who they consult with regularly on their individual plans. However, as outlined previously these relationships are not with the Lanarkshire Board as the RSB. Both colleges have structures in place for engaging with staff unions. More recently the Lanarkshire Board, in its role as the governing body of NCL, has had to consider steps it might take in developing a more positive relationship with local trade unions.
54. Both colleges aim to reduce any duplication in their relationships with key stakeholders in Lanarkshire and have taken steps in the past to ensure that each has a clear role in the engagement process. However, feedback confirmed that stakeholders are often unaware of the role of the Lanarkshire Board and have continued to work with the individual colleges as they have done in the past in the absence of clear signposting to change this approach.
55. The self-evaluation described specific collaborative progress on cross region discussions around specific activity such as Foundation Apprenticeships, Developing the Young Workforce and more recently the Glasgow City Region

(GCR) dialogue around the GCR Skills Investment Plan. At an operational level regional activities currently rely on the knowledge, experience, skills and good will between individuals; for example, the working arrangements in place to produce the Lanarkshire Region Outcome Agreement.

56. During the review SFC received evidence to confirm that both colleges have strong relationships with their Students' Associations and appropriate operational arrangements are in place. SFC is aware of the constructive steps taken to engage student officers in discussions on the development of the Lanarkshire Region Outcome Agreement and identified the region as a model of good practice. In addition the Student Presidents from both Associations regularly provide information and reports to the Lanarkshire Board. In particular the Associations have been working together to further develop services around Mental Health and wellbeing to support students across the Region. There is a commitment to build on this activity in AY2020-21.
- **SFC conclusion: There is evidence of some progress in collaborative working across the two colleges; particularly on Foundation Apprenticeships (with SDS) and Developing the Young Workforce. This is likely to be having some positive impact on the student experience, and contribute to parity of experience. There are examples of more recent joint working across the region but it is too early to assess the impact of these actions.**
 - **SFC conclusion: Feedback suggests there has been a renewed focus on student engagement and representation within both colleges in the last year. The officers of the Students' Associations of each college talk regularly to each other and work jointly to support students in key areas. This is a priority for the Lanarkshire Board. The colleges should build on these positive developments to encourage further student collaboration across the region.**

Recommendation

57. The RSB is meeting its core statutory requirements in a challenging environment, but, despite best endeavours, the regional governance arrangements have not delivered significant regional benefits or added value for students and other stakeholders. The original legislation means that the Lanarkshire Board is the Board of New College Lanarkshire (formed from the merger of three colleges), with South Lanarkshire College assigned to New College Lanarkshire. Good efforts, such as the recent development of Memorandum of Understanding and an exploration of other options to improve the governance arrangements, are unlikely to improve regional effectiveness when there remains an unwillingness from either partner.
58. While the lean RSB support arrangements have kept RSB costs to a minimum (£62,000 in 2019-20), they have added significant responsibilities to key people within the NCL Board and executive, especially given the day-to-day challenges.

Agreeing funding allocations each year is challenging and time-consuming for the regional executive of the RSB. There has been some reallocation of resources between the two colleges to meet regional need, but funding decisions remain contested and associated operational policies are under-developed.

59. There has been some good collaboration: on apprenticeships and developing the young workforce programmes; student recruitment protocols have been developed and the student association representatives of each college share good practice and keep in touch; and there has been joint procurement for some services. However, there is widespread recognition that the geography works against further integration across Lanarkshire. If looking at options elsewhere, most students naturally look towards Glasgow rather than to the other college in Lanarkshire, reinforced by local transport routes and infrastructure. Indeed, while each college in Lanarkshire has strong relationships with schools, employers and local authorities, local external stakeholders do not recognise an overarching RSB entity and continue to engage with each college separately. Again this is despite best efforts.
60. Our view is that the status quo is sub-optimal. The current governance arrangements are not well understood or accepted, and lead to constant friction. They distract both colleges from their main missions for students and economic recovery. New College Lanarkshire is a significant regional presence, with an ambitious vision of transformation and improvement. South Lanarkshire College is small, financially stable, and serves a different local area, with different ambitions for its local communities. Some may view the Lanarkshire situation as an unfinished merger that simply needs to complete. At some point, South Lanarkshire College, or both colleges together, may want to consider options for the future. For now, there is no widespread appetite locally for merger. Efforts to make the governance and the RSB function effectively are time-consuming for the Lanarkshire Board and its executive and are unlikely to change outcomes for students or local communities.
61. We recommend that the RSB should be dissolved and both colleges manage themselves as separate regional entities, forming a direct relationship with SFC. For clarity, we also encourage both colleges to continue to be part of appropriate education, skills and economic recovery regional planning, and to build useful collaborations together or with other partners, and to foster strong economic planning partnerships at a Lanarkshire and wider Glasgow level.

Next steps

62. Dissolving any Regional Strategic Body would require primary legislation. However, because their assigned colleges are still 'fundable bodies' (as defined by the Further & Higher Education (Scotland) Act 2005), they can still be funded direct by SFC. So, if our recommendations are agreed, it is likely we could revise the funding

and accountable arrangements in practice, even if the regional strategic body structure requires to be dealt with at a later date.

63. It is important to emphasise that the above conclusions do not change the requirements for the two college to actively work together and with partner stakeholders, locally and nationally, to ensure the coherent provision of a high quality of fundable further education and fundable higher education in their localities.
64. Once the Lanarkshire Board has had an opportunity to consider the outcome of the review SFC will seek further dialogue with senior officials of the Board. SFC will also offer appropriate guidance and support to the Board prior to any significant change being implemented.

Appendix A - List of consultees responding to the questionnaire

- South Lanarkshire College Students' Association.
- EIS.
- South Lanarkshire Council.

Appendix B - List of stakeholders represented at evidence sessions

External stakeholder organisations represented

- North Lanarkshire Council.
- Skills Development Scotland.
- South Lanarkshire Council.

Senior Managers of the colleges

- Annette Bruton, Interim Principal and Chief Officer, NCL.
- Ann Baxter, Vice-Principal (Acting), NCL.
- Iain Clark, Vice-Principal, NCL.
- Stuart McKillop, Principal, SLC.
- Angus Allan, Depute Principal, SLC.
- Keith McAllister, Head of Finance, SLC.

Lanarkshire Board/RSB

- Ronnie Smith, Chair of Lanarkshire Board.
- Kenny Anderson, Chair of Finance Committee.
- Jean Carratt, Teaching staff member, SLC.
- Lorraine Cowan, Teaching staff member, NCL.
- Diane Dixon, Board member.
- John Elliot, Board member.
- Keith Fulton, Interim Chair until August 2019, and Chair of Resources and General Purposes Committee.
- Yvonne Finlayson, Board member.
- Rose Harkness, Support staff member.
- Moira Jarvie, Support staff member, NCL.
- Andy Kerr, Chair, South Lanarkshire College (SLC).
- Stewart McKillop, Principal, SLC.
- Elizabeth Newlands, Student President, SLC.
- Calum Smith, Student President, NCL.
- David Winning, Chair of Curriculum, Student Affairs and Outcomes Committee.

Scottish Funding Council

- Martin Fairbairn, Chief Operating Officer.
- Wilma MacDonald, Financial Analyst.
- Linda McLeod, Assistant Director.
- Caroline Stuart.

Appendix C – documents referenced in the review

Lanarkshire Regional Strategy 2018-2023.

Lanarkshire Region Outcome Agreement AY2018-19 and AY2019-20.

Audit Scotland Report 2018.

Public Audit and Post-legislative Scrutiny Committee – June 2018 and December 2018.

The Regional Collaboration Plan.