Board of Management - Action and Decision Log
Meeting No 43 – 31 October 2023

(Paper 1a)

Meeting Date	Agenda Item	Reference	Details	Action Owner	Due Date	Action / Decision	Open / Complete / Approved / Declined
28/03/2023	Key Performance Indicator Dashboard	BOM41: A01	Alternative options to analysing student progression to be explored in advance of AY2023-24, plus national benchmarking data on retention.	A Campbell	Sep-23	Action	Complete
28/03/2023	Mainstreaming Equality and Equality Outcomes Progress Report (2022-25)	BOM41: D05	The Board approved the Mainstreaming Equality & Equality Outcomes Progress Report (2022-25).	NA	NA	Decision	Approved
28/03/2023	College Strategic Transformation Projects	BOM41: A02	D Davidson to provide Board members with further information, including Project Scope, via email.	D Davidson	29/03/2023	Action	Complete
28/03/2023	2022-23 Ayrshire College Risk Register as at March 2023	BOM41: D06	The Board approved the 2022-23 Ayrshire College Risk Register as at March 2023.	NA	NA	Decision	Approved
15/06/2023	Reschedule 19 October Board meeting	BOM 42:A01	Doodle Poll with alternative dates for the next Board of Management meeting to be issued to members for consideration	Y Melvin	July 23	Action	Complete
15/06/2023	2023-24 SFC Funded Capital & Revenue Expenditure Programme	BOM42:D01	The board approved the 2023-24 SFC Funded Capital & Revenue Expenditure Programme.	NA	NA	Decision	Approved
15/06/2023	Sustainability Strategy	BOM42:D02	The Board approved the Sustainability Strategy.	NA	NA	Decision	Approved
15/06/2023	Digital Strategy Annual Report	BOM42:D03	The Board approved the Digital Strategy Annual Report.	NA	NA	Decision	Approved
15/06/2023	2023-24 Budgets for Academic Year ending 31 July 2024	BOM42:D04	The Board approved the budgets for the 12 months ending 31 July 2024.	NA	NA	Decision	Approved
15/06/2023	2022-23 Ayrshire College Risk Register as at June 2023	BOM 42:A02	Mitigating factors relating to the student experience to be included in LTQ1 in the next iteration of the Risk Registers.	A Campbell	Sep-23	Action	Complete
15/06/2023	2022-23 Ayrshire College Risk Register as at June 2023	BOM42:D05	The Board approved the 2022-23 Ayrshire College Risk Register as at June 2023.	NA	NA	Decision	Approved
15/06/2023	Willie Mackie Skills Hub - update	BOM42:D06	The Board approved the additional funding identified to fund work overspends on the Willie Mackie Skills Hub project.	NA	NA	Decision	Approved

Ayrshire College *(Paper 2)*

Board of Management Meeting

31 October 2023

Strategic Objective Reference: *(delete as appropriate)*	SO1	An inspirational college experience
	SO2	Embedding diversity and inclusion
	SO5	High performing college underpinned by excellence in stewardship and governance
	SO7	Developing staff and students to enable excellence
Subject/Purpose:	Student Association Report	
Action Required:	To note	
Appendices:	No	

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1. Summary/Key Points

The Student Association team for 2023 consists of two elected officers. The Student President, Linda Corbett, and Student Vice President, Tim Chan. The Student Association is governed by a Student Executive Committee within which students hold various volunteer officer roles. The work of the Student Association is supported by a Student Association Advisor and is overseen by Head of Quality Enhancement, Ann Heron. The Student Association Advisor post is currently vacant following Charlotte Mitchell's appointment to Equality and Diversity Performance lead.

2. Proposals and Recommendations

The Student Association proposes to look at ways in which to increase the visibility of the association across all three campuses and will work with various other departments to implement any agreed plans in the coming year.

The Student Association recommends the timely recruitment of a new Student Association Adviser.

3. Associated Risks

None identified.

4. Equality and Diversity Impact Assessment (if applicable)

None

Current Situation

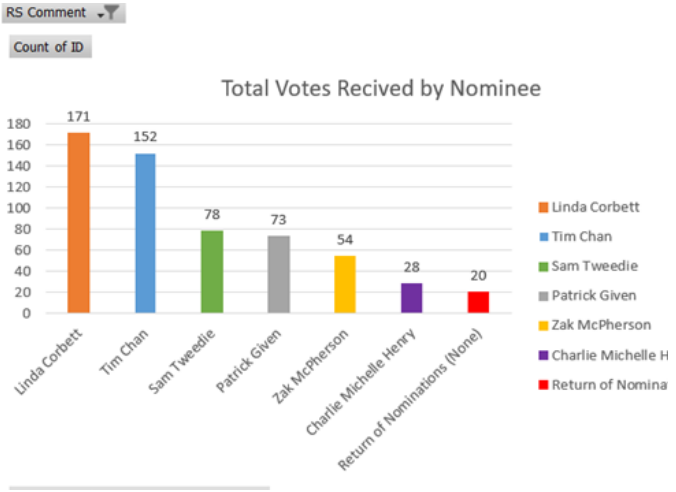
Following a successful Student President Election, the Student Association has welcomed its Sabbatical Officers and has been working on its operational plan for 2023/24. The summer has been a period of evaluation, planning, training and development.

Student Association Activity

Student President Elections

The Student Association elections took place from Monday 8 May to Friday 12 May 2023 following a week of campaigning from the candidates. There were six candidates standing in the election for two sabbatical positions, Student President and Student Vice President. Upon close of voting on Friday 12 May, the Student Association announced that candidate Linda Corbett was the Student President Elect and Tim Chan was the Student Vice President Elect. The successful candidates took up their positions on 1 July 2023. There was a total of 576 votes cast in the 2023 Student Elections. Initial evaluation of the election process is that the Student Association will work with both the Marketing Team and Business Systems to explore ways in which we can brand and promote the elections better to students. This activity will be included in the Student Association's operation and enhancement plan.

Row Labels	Count of ID
Linda Corbett	171
Tim Chan	152
Sam Tweedie	78
Patrick Given	73
Zak McPherson	54
Charlie Michelle Henry	28
Return of Nominations (None)	20
Grand Total	**576**



Student Association Operational Enhancement Plan 2023/24

The Student Association has been working on its operation plan for 2023/24 and has a formal first draft which the Student President will take to the fist Executive Committee meeting in September for approval.

Freshers Planning

Freshers planning is underway. The theme for this year's Freshers is 'Get Connected'. The Student Association is organising an Information Village on each campus on the following days:

12 September Kilmarnock Campus
13 September Kilwinning Campus
14 September Ayr Campus

These marketplace events will be complimented by a range of activities such as sports challenges and taster activities as well as sign-ups for clubs, societies and volunteering opportunities.

College Lead & Change

The Student President attended the NUS College Lead and Change event in early July, which consisted of both face to face and online training. The training's goal is to provide sabbatical officers with the opportunity to network and develop the skills they will need for the coming year, as well as to assist officers in identifying what they will need to achieve their manifesto goals and to share knowledge, skills, and enthusiasm to help them thrive in their roles.

That's Quality! College Event

On Monday 7 August and Tuesday 8 August, the Student Vice President participated in sparqs That's Quality! training which comprises of a two day residential event following an online self-study module that provides sabbatical officers with a more detailed overview of quality in Scotland.

Prepare for College Programme

The Student Association took part in the College's Prepare for College Programme during the summer break with attendance at sessions being divided between the Student Association Team. The delivery of the programme lent itself better to teams who have more capacity on each campus and we will work with the College on the feedback with regards to this. The Student Association have been thinking of ways in which new students could receive all the information they need for coming to College in an alternative format and will be organising a programme of class visits for the beginning of the new academic year.

Student Association Visibility

The Student Association is working with the marketing Team to re-invigorate the SA Brand to help to make the SA as recognisable as possible. Following positive feedback from the last Education Scotland visit and an increase in the number of students reporting to know what the SA is from the SFA Student Satisfaction and Engagement Survey 2023, we will build upon this to ensure that the SA is front and centre of the College. This work also includes a review of the Student Executive Committee and the member roles which will include a stronger emphasis on promoting the SA. We will also be working with our Class Ambassadors to ensure that a consistent, positive SA message is conveyed via all SA channels.

Future Activity

Class Ambassadors

The Student Association in partnership with the Quality Enhancement Team is planning the roll out of this year's Class Ambassador Model of Feedback. An evaluation of the delivery of the programme during the last year has shown that the SA needs to work more closely with curriculum areas to help them support their Class Ambassadors and to ensure there is a consistent message with regards to what Class Ambassadors exist to do and how they can undertake their roles effectively and in partnership with their curriculum teams. We will be going out to Curriculum staff upon their return in August to prepare for the selection, registration, training and support of the Class Ambassadors. The Student Association will work with the curriculum teams with regards to feedback received from the Class Ambassadors and Education Scotland to ensure that all Class Ambassadors are fully supported. An area of focus will be apprenticeship students as a priority group.

Conclusion

ACSA will continue to work alongside staff in order to best support and encourage students to work towards making the 2023/24 session both enjoyable and successful.

Linda Corbett
Student President
August 2023

*This paper will be published on the College website

Ayrshire College

Board of Management

Education Scotland – Update 2022-23 and 2023-24

31 October 2023

Ayrshire College

Engagement with Education Scotland – 2022-23

1. Thematic Review – February 2023

2. Annual Engagement Visit (AEV) – May 2023

Evidence base – 2021-22 national Key Performance Indicator data (KPI)

Our Values: Respectful | Supportive | Open and Honest

AEV – Strengths

Areas of positive practice identified across:

1. Recruitment
2. Retention
3. Attainment
4. Progression

AEV – Main points for Action

1. The College should take action to improve rates of successful completion and, in particular, address the number of learners who leave their programme early.

2. The College should ensure staff have access to comprehensive and reliable information to support systematic evaluation to secure improvement.

Retention 2022-23

Mode	Early Withdrawal 2022-23	Further Withdrawal 2022-23
FE FT	3.2%	4.6%
FE PT	0.4%	0.1%
HE FT	0.4%	1.5%
HE PT	0.3%	2.5%

Ayrshire College

Education Scotland Action Plan 2023-24 – Key Themes

1. Programme Design
2. Quality of Learning and Teaching
3. Using data to improve outcomes
4. Learner Engagement
5. Digital Infrastructure

Our Values: Respectful | Supportive | Open and Honest

Ayrshire College

Engagement with Education Scotland – 2023-24

1. Ongoing engagement with link HM Inspector
2. AEV
3. Thematic Review:
   - Learner Progress and Outcomes
   - National Subject Review – Care
   - Approaches to meeting the needs of all learners (?)

Our Values: Respectful | Supportive | Open and Honest

Ayrshire College *(Paper 3)*

Board Of Management meeting

31 October 2023

Strategic Objective Reference:	SO1	An inspirational college experience
	SO4	Working with partners and businesses.
	SO7	Developing staff and students to enable excellence.
Subject/Purpose:	The purpose of this report is to update Board Members on activities carried out by the Chair since the 15 June College Board meeting.	
Action Required:	To Note	
Appendices:	No	

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1. Summary/Key Points

Whilst it is generally recognised that Colleges are the powerhouses of Scotland's economy, there is no doubt that the educational reforms needed to deliver this in the future partnered with financial constraints present a very challenging context for Ayrshire College to meet its objectives.

2. Strategic Issues

The context of delivering high quality education to our students means that the Board must take cognisance of the changing environment for the College and be responsive to the requirements of the Ayrshire economy as well as the needs of our students.

3. Stakeholder Engagement

I continue to meet with our stakeholders and partners, by way of ongoing dialogue. Whilst there are opportunities for improved working relationships, the feedback I am receiving is very positive with regards to Ayrshire College provision and relationships.

4. Other Engagements/Future activities

I was delighted to be able to attend the following events, the internal College meetingsshowcased the significant achievements of our students and our staff. My thanks to those Board Members who were also able to attend.

a. Willie Mackie Skills Hub Opening 21 September 2023

b. Graduations 29 September 2023

c. Colleges Scotland seminar on Think the Unthinkable where we met with the Minister for H&FE.

d. Colleges Scotland All Chairs Group 17/10 & Board meeting 26/10

e. Future – MP & MSP meetings; the annual programme of meetings will begin in the near future.

f. Subgroup Meeting of Think the Unthinkable – to receive feedback on Evidence and Analysis of Structural Models.

g. I attend the Ministerial meeting hosted by the Principal, where he visited the aeronautical suite and had the opportunity to meet with staff and students.

h. I met with Gordon Hunt, interim Head of Leadership Governance and Research with the CDN where we had the opportunity for further support from CDN for Board members**.**

5. Our Governance

a. Board Development Day, 14 September 2023

The Board Performance and Improvement Plan is being presented later in the Board meeting which highlights areas that will be included in future development sessions.

b. Board and Committee Membership and Recruitment

A Board Member Recruitment programme commenced in early October 2023 and will culminate in interviews being held 24 November with recommendations being made to the Board in December.

c. Board Member Development

Board members were all offered Annual development meetings throughout July and August 2023, where development opportunities were discussed and agreed.

Board Members are reminded to ensure that they have completed mandatory CDN induction. Opportunities for further development are also published on the CDN website CDN Governance Hub. Please advise the Board Management Office of your attendance at any of these events or any event that you attend as a representative of the Ayrshire College Board – this information can then be included in your development record.

Board Members have been set up with access to the Staff Learning Portal, plus LinkedIn Learning Account Licences.

Board Members have access to a new Teams section “Board members Knowledge & Development Bank”, which contains the Induction Pack, plus development information on relevant topics that can be referenced and added to.

6. External Effectiveness reviews

External Effectiveness reviews should be carried out every 3-5 years and we now should consider commissioning our next review, given our previous review was 2021, with a view to completion of the review by April 2025. Colleges may approach CDN, or another organisation, to conduct the reviews. The CDN guidance on external review is still current.

7. Trade Union Nominees on Boards

We are looking at a timeline of the middle of January 2024 for the sector to fully implement trade union nominees on boards i.e., formally elected to boards. The previous date was 1st January 2024 however, Scottish Government advised that it is not permittable for a date to fall on a public holiday. This would be following the Scottish Government laying a Draft Order to the Scottish Parliament to allow for the amendments to be made to the relevant Acts (requires 54 days).

Trade unions will lead on election process using the procedure agreed by the GGSG and will be expected to keep the Governance Professionals aware of the progress throughout. The election process will take place during early November and into December.

Terms and conditions exemplars for trade union nominated board members have been approved by the GGSG and will shortly be available on the CDN Governance Hub. It is expected that colleges will use the exemplars provided for these appointments.

Trade unions bodies are very keen for these new appointments to be successful and want to get the training and support right for their members. There is an expectation that trade union board members will be treated in the same way and will work to the same Code of Conduct as other board members.

In preparation for this as an interim arrangement, we have already invited both our staff Union representatives to be observers at our Board Meetings, with the EIS-FELA representative joining us as an observer from this meeting onwards, and the Unison representative still to be confirmed.

8. Our Communications

Board members now receive Ayrshire College All Staff Emails, with the Board Governance Adviser issuing any additional specific communications regarding development opportunities and meetings as required.

9. Current Situation/Assessment

N/A

10. Proposals and Recommendations

No further proposals are included within this paper

11. Risks

N/A

12. Resource Implications

No further resource implications require to be noted.

13. Equality and Diversity Impact Assessment

An impact assessment is not applicable given the subject of this paper.

14. Sustainability

N/A

15. Consultation/Input

No formal consultation is required given the subject of this paper.

Fiona McQueen
Chair, Board of Management
10 October 2023

This paper will be published on the College website.

Ayrshire College *(Paper 4)*

Board of Management

31 October 2023

Strategic Objective Reference: *(delete as appropriate)*	SO1	An inspirational college experience
	SO4	Working with partners and businesses
	SO7	Developing staff and students to enable excellence

Subject/Purpose: Principal's Report

Action Required: To note

Appendices: Yes
(yes/no)

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1. Summary/Key Points

To provide board members with an update on key activities or developments that would not be picked up in other board papers that are contributing to delivering on our strategic priorities for 2023/24.

These include:

- Strategic developments
- Stakeholder engagements
- Staff engagements

2. Proposals and Recommendations

To note

3. Associated Risks

N/A

4. Equality and Diversity Impact Assessment (if applicable)

N/A

Board Update October 2023

As requested at the last Board Development Day, please find below the priorities that the executive team have set for themselves during 2023/24. These will be reported on through committee papers and the Board Performance Dashboard, but hopefully serve as a useful reminder for the drivers behind the key updates in this report.

Our Success Measures 2023-24

- Student success increase by 3%
- Student satisfaction increase by 1%
- Achieve 147 accreditation
- Work with 10 new businesses
- Increase staff satisfaction
- Reliable and accessible digital connectivity by November 2023
- Increased use of technology enhanced learning
- SLT structure in place by January 2024
- Refreshed draft College Vision by June 2024
- Deliver a balanced budget
- Increased College profile
- Our Think the Unthinkable plan

Strategic Development

The **Ayrshire Regional Economic Strategy (RES) Delivery Plan** was launched was on Monday 2 October. David Davidson attended on behalf of the College. An overarching theme is skills. Anne Campbell is chairing this cross regional group which is informed by five sector workstreams. These are: Aerospace & Space; Clean Growth; Digital; Food & Drink; Hospitality & Tourism. The workstreams include leaders from schools, industry, universities where appropriate, SDS and the chamber. The Ayrshire Growth Deal Skills funding will be channelled through the skills group and it is anticipated that as this structure develops, we will be able to collaboratively bid for other funding to address the skills needs of Ayrshire.

Ayrshire College organised an **Ayrshire Leaders Collaboration Session** on 18 October to bring the senior leaders together from the 3 councils, NHS Ayrshire & Arran, Police and Fire services. The objective is to get collective buy from senior officers to work together in a pan Ayrshire way to resolve some of the issues that affect us all. This includes too much estate that is not fit for purpose, employability and skills, mental health and inequality.

During September and October, meetings have taken place with **University of West Scotland** and the **Glasgow Caledonian University** to explore partnership working that is not dependant on articulation of Ayrshire College students.

Fiona and myself are also meeting the Chairs and Principals of **Dumfries & Galloway College** and **West College Scotland** in December to reflect on the emerging priorities coming out of the Withers Review and Think the Unthinkable work and explore the value of working in partnership.

On 19 September, the Chair and myself attended the **6th Think the Unthinkable Convention**. The Minister for HE, FE and Veterans, Graeme Dey was in attendance for the latter part of the day. The College profile was good with me presenting our

approach to a Skills Led Region (RES Skills delivery group) and we included a short case study in the summary papers on Aerospace. Links to the documents can be found below:

Think the Unthinkable - Case Study - September 2023.pdf

Presentation for TtU Session - 19 September 2023.pdf

It is clear from the engagement with the Minister on the day, that he is committed to the outcomes of the Withers Review. He is keen to find some quick wins for the sector and stressed that some changes will take a longer time period because of the requirement for legislative change.

The key takeaways from the session that the sector need to progress, and Ayrshire College need consider are:

1. What defines a Skills Led Region? Regional Economic Strategy, Growth deals, travel to work/learn routes or other? Are there different models depending on the locality?
2. Different models of working in a tertiary landscape – ESP national model for Health, Centres of Excellence or Clusters of Excellence, West Midlands/Manchester/Liverpool devolved skills regions models, Northern Ireland 6 Centres of Excellence or Welsh model of colleges first and directly funded from government.
3. Apprenticeships – Colleges take ownership of apprenticeship delivery within Skills Led Regions. How do we overcome the unique role Managing Agents play in co-ordinating delivery across Scotland for businesses with a national footprint? How do we support each other to ensure capacity across the sector? How do we deal with private training providers? Sector needs to be clear about what we want ownership of – delivery and quality assurance but not qualification frameworks.
4. What is the real cost of School/College Senior phase provision? and recommendations on an alternative model that is progressive?
5. Scottish Government have indicated that they are open to jointly funding a research project on foresighting future workforce requirements with Innovate UK. There is also some appetite for carrying out an impact assessment on the success of National Bargaining. How has it benefited students and colleges? but the sector remains committed to Fair Work.
6. Minister is keen to learn more about our role in supporting Community Learning and Development provision. He is not seeing evidence of a joined up regional offer nationally and progressing pathways for participants.
7. New funding model including flexibilities but direction of travel is that activity is funded only once (Senior Phase, Apprenticeships, Overlap of HNC/D repeated at university) and employers expected to contribute.

I have agreed to be the lead principal in shaping the recommendations, on behalf of the sector, for priorities 1,2 and 3.

To support our ambition to be the Centre of Excellence for Aerospace and Space engineering training in Scotland, we have joined an Aerospace, Defence, Security & Space (ADS) Group. Several Prestwick Aerospace employers are already members and when we met with the civil servants regarding our ambition, it was recommended we became part of the group.

Already we have had access to their expertise and networks and will be attending forthcoming events as part of the group.

Commencing in November, we have engaged **Tribal Group Consultancy** to carry out a full cost base assessment for all our areas of activity. This will include benchmarking of comparative percentage of costs for the size of the organisation and includes headcount and other revenue spend. This will provide us with detailed analysis to help inform future investment and organisational structures.

The team traveling to Liverpool on 30 November for the **Green Gown Awards**, will also be visiting the **City of Liverpool College** to exchange knowledge and practice in quality enhancement systems, performance monitoring, staff development, student support and curriculum.

Also, on 30 November, we will be attending the **College Development Network** Awards, where we have been shortlisted for 4 awards. These are: the Health and Wellbeing Award, Inclusive College Award, Lecturer of the Year Award and Research Project of the Year Award.

We successfully launched our **Willie Mackie Future Skills Hub** on 21 September. The attendance of key local and national partners was very positive and a commitment to build on the investment made by industry sponsors (MAGNOX) and increase the training opportunities, especially for apprenticeships in future years was encouraging.

Stakeholder Engagement

I attended the **Galloway and Southern Ayrshire UNESCO Biosphere** Partnership Reception at Drumlanrig Castle on 4 July. The College has been involved in a range of activities including research, certifying staff in Net Zero skills, supporting the development of a cookbook and most recently working with the biosphere and local schools to develop external space allowing students to plant flowers and vegetables as part of a school project.

Anne Campbell and I had a useful meeting with the CEO of **Ayrshire Chamber** on 31 August. We agreed to work more closely together in supporting the 10,000 businesses across Ayrshire and to ensure our training offer compliments rather than competes.

The College were sponsors at the recent **Airshow**. As well as having a stand showcasing everything the college has to offer, we also attended the VIP event on the Friday night. We have provided feedback and are considering our role and focus for next year's event.

On 28 September, I attended a dinner hosted by **Strathclyde University**. It was a good opportunity to network with the broader tertiary sector and invited the Vice Chancellor, Jim MacDonald, to meet with me to discuss Strathclyde University being a partner in a national Centre of Excellence for Engineering.

I have also been meeting privately with principal colleagues who may be future partners in any new **Skills Led Regions** model or as part of a national framework of Centres of Excellence. This includes South Lanarkshire College, Clyde College, City of Glasgow College, Edinburgh College, North East Scotland College, Dumfries & Galloway College.

Marie Hendry, the new CEO of **College Development Network** (CDN), visited Ayrshire College on 31 July. I took the opportunity to show her the CDN award winning

Connected Communities project at Kilmarnock Campus and outlined the strengths of Ayrshire College and how CDN could support us.

The **Minister for FE, HE and Veterans, Graeme Dey** visited our Aerospace department on 22 August. Apprentices and employers highlighted the important work the college is doing in supporting the skills development for that industry. We also discussed a range of sector specific issues and opportunities.

I was a judge on the **Ayrshire DYW Apprenticeship Challenge** on 15 September and was delighted to learn that our Hairdressing Apprentices had made it to the final on the first year of entering.

Anne and I attended the **Ayrshire Chamber Business Awards** Dinner 6 October. Again, it was a good opportunity to network with businesses and public sector partners in an informal setting.

The College also attended and had a stand at the **Parliamentary Reception** for Colleges on Tuesday 26 September. We showcased our Virtual Reality software that is used to give learners a feel for what it feels like to be inside a hanger and two different types of aircraft.

I visited Andy Marshall, Director at **Woodward International** on Monday 9 October to discuss our Aerospace developments and thank him for his ongoing support.

Pam Duncan-Glancy MSP visited our Kilmarnock Campus and met with the Chair and myself on Tuesday 17 October. We highlighted the importance of Ayrshire College in the region and also shared some of our future ambitions around a Centre of Excellence for Aerospace.

Mike Newall new **CEO South Ayrshire Council** will meet with Fiona and I on 2 November on the Ayr Campus for a show around and lunch.

I am also due to meet with Jane Martin, Managing Director of Innovation and Investment at **Scottish Enterprise** on 29 November to understand the increased role that Scottish Enterprise have taken on regarding Aerospace in Prestwick and leading the Ayrshire Growth Deal Spaceport proposition.

Staff Engagement

On 18 August, the College had a **10th Anniversary** celebration with all staff coming together on one campus for the first time in near 5 years. We have also planned a celebratory dinner for key stakeholders, previous principals and chairs and current board members on 15 February.

Staff enjoyed all being together so we have now scheduled into the calendar an all staff conference each year.

We outlined the **College priorities** for the year in a **staff presentation** on 18 August and have scheduled update presentations for all staff each term. This time all executive members contributed, which worked well, and all executive members are now hosting informal open forums across all sites. The first round gave the executive team a chance to clarify queries that staff had.

The team are also planning cross college **Christmas Celebrations** to encourage cross college teams the opportunity to come together for some fun before we break up for Christmas.

We are delighted to have appointed Alistair Rodgers as **Director of Enterprise Development**. He will join us in January 2024.

Lecturing and support staff continue to be in a **national dispute** regarding the 2022/23 and 2023/24 pay offer. Whilst every effort is being made to keep our campuses operational on strike days, this is having an unsustainable impact on staff who are not striking and we continue to be very concerned for students who are losing so much in person learning.

Employers made a full and final pay offer to the lecturing staff trade union (the EIS-FELA) for the 2022/23 academic year and the 2023/24 academic year on Thursday 1 June 2023. This pay offer was for **a cumulative and consolidated £2,000 pay rise in 2022/23 and for a further consolidated £1,500 in 2023/24**. This pay offer would have provided an average pay rise of 8% for lecturers. For lecturers at the start of the National Pay Scale, the increase would be nearly 10% to a starting salary of almost £39,000 a year. This was, however, rejected by the EIS-FELA.

Following a joint meeting with the EIS-FELA and the Further Education Minister, Graeme Dey MSP, both CES and the EIS-FELA were encouraged to explore a three-year pay deal, to resolve industrial action and bring stability to the sector. As such, employers have now offered a further 3.5% pay rise in the 2024/25 academic year, on all lecturing scale points, subject to discussions with the Scottish Government on funding.

Employers also provided a form of words which sought to address concerns from the EIS-FELA on compulsory redundancies. As colleges reshape their curriculum offer to meet the needs of students, communities, and employers in line with skills needs and changing demographics, we are not in a position at a national level to give a guarantee of no compulsory redundancies.

On Friday 6 October 2023, the EIS-FELA provided its revised pay claim for a consolidated, flat-rated pay rise of £8,000 over three years, on all lecturing scale points, for the academic years 2022/23, 2023/24 and 2024/25.

Support Staff

Similar to the lecturing staff, employers made a full and final pay offer to the support staff trade unions (UNISON, GMB and Unite) for the 2022/23 academic year and the 2023/24 academic year on Wednesday 31 May 2023. This pay offer was for **a cumulative and consolidated £2,000 pay rise in 2022/23 and for a further consolidated £1,500 in 2023/24.** The offer would provide an average pay increase of 11% over 2022/23 and 2023/24. For college support staff earning less than £25,000, the pay increase over the two academic years would be around 14%.

UNISON members have not been formally balloted on it. Therefore, a new, three-year offer, including an additional 3.5% pay rise proposed for 2024/25, has been made to the support staff unions, subject to discussions with the Scottish Government on funding.

As with college lecturers, employers have also provided a form of words aimed at addressing concerns from the support staff trade unions on compulsory redundancies.

The support staff trade unions have not yet provided an updated revised claim.

Colleges Scotland Publication

Please find attached a report for your awareness which refers to brand-new research commissioned jointly by CDN and Colleges Scotland.

The new report from the Fraser of Allander Institute at the University of Strathclyde shows the Scottish economy will be £52 billion better off cumulatively over the 40-year working life of college graduates. It reveals that over their working life, college graduates boost employment, increase real wages and contribute to increased trade and investment. This is the first research of this type to have been carried out since 2017.

Angela Cox
Principal and Chief Executive
23 October 2023

*This paper will be published on the College website

University of Strathclyde Glasgow

Fraser of Allander Institute

The economic contribution of colleges in Scotland

October 2023

Cover images courtesy of Dundee & Angus College and West College Scotland.

UNIVERSITY of STRATHCLYDE
FRASER OF ALLANDER INSTITUTE

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The Fraser of Allander Institute

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Disclaimer

The analysis in this report has been conducted by the Fraser of Allander Institute (FAI) at the University of Strathclyde. The FAI is a leading academic research centre focused on the Scottish economy.

The report was commissioned by Colleges Scotland and the College Development Network.

The analysis and writing-up of the results was undertaken independently by the FAI. The FAI is committed to providing the highest quality analytical advice and analysis. We are therefore happy to respond to requests for technical advice and analysis. Any technical errors or omissions are those of the FAI.

Colleges Scotland

cdn College Development Network

Executive Summary

- Scotland's colleges are anchor institutions within the regions where they operate, helping to support employment and generating significant economic activity in the sectors that are most important to Scotland's current and future prosperity.
- This research involves an extensive review of the contribution of college graduates to the Scottish economy and the economic impact of the money that colleges spend.
- For the 2021/22 graduation cohort, we estimate that:
  - The Scottish economy, in terms of GDP, will be cumulatively better off by £8 billion in present value terms over the long term, when compared to an economy without these skilled graduates.
  - This is equivalent to a £73,000 boost in productivity per graduate to the Scottish economy.
  - The uplift in productivity is estimated to support over 31,000 FTE jobs across the Scottish economy.
  - The Scottish Government's £740m investment, via the The Scottish Funding Council in colleges in in 2021/22, led to a £8bn boost to the GDP of the Scottish economy and a £2.8bn boost to government revenues. The investment in this college cohort therefore represented 26% of the return in terms of the boost in GDP, and 9% in terms of the boost to government revenues.
- We estimate that the 2016/17 – 2021/22 graduation cohort:
  - Make the Scottish economy cumulatively better off by around £52bn over their 40-year working life, when compared to a scenario without these skilled graduates.
  - Help to boost labour productivity by 2% in the long run across the Scottish economy.
  - These graduates also help to support an additional 203,000 FTE jobs in the Scottish economy over their 40-year participation in the labour force.
  - The Scottish Government's £4.1bn investment, via The Scottish Funding Council between 2016/17 and 2021/22, led to a £52bn boost to the GDP of the Scottish economy and a £18.2bn boost to government revenues. The investment in multiple years of college graduates therefore represented 22.5% of the return in terms of boost in GDP, and 8% in terms of the boost to government revenues.
  - As well as their supply of highly skilled graduates, the money colleges spend also supports significant economic activity and employment across the Scottish economy, which is additional to the 10,700 FTE employment already supported by the college sector.
- Our modelling suggests:
  - College spend helps to support an additional 4,400 jobs across the Scottish economy, of which 2,700 are directly supported by college supply chain spending, and the remaining 1,700 are supported across the wider economy.
  - Their spend also generates substantial additional economic activity, with £225m supported in GVA[1], and colleges having the second highest GVA output multiplier (the measure of GVA supported for every £1m of final spend) when compared to the other 97 sectors of the economy.

1 Gross Value Added is a measure of the value of goods and services within a sector.

THE ECONOMIC CONTRIBUTION OF COLLEGES

The labour productivity uplift from multiple years of college graduates makes the economy cumulatively better off by **£52bn** in the **long run**

Colleges had the **2nd** highest **GVA-output** multiplier and the **14th** highest **employment-output** multiplier

Multiple years of college graduates boost investment and exports by **1.8%** during their working life

In **addition** to the **10,700 FTE jobs** supported within the college sector, their spend helps to support

£225m GVA

& an additional

4,400 FTE jobs

College graduates support **203,000 FTE jobs** over their **40-year** period of participation in the Scottish labour force

The 2021/22 college graduation cohort makes the Scottish economy cumulatively better off by **£8 billion**, equal to around **£73,000** per college graduate

95% of care-experienced individuals went onto a **positive destination** after completing their college course

1,700 FTE jobs & £109m GVA

supported across the **wider sectors** of the Scottish economy by **college spend**

College graduates made up **46%** of the **5,600 first degree entrants** to Scottish universities in 2021/22 by individuals living in the 20% most deprived areas of Scotland

1. Introduction

Scotland's colleges make a significant contribution to the Scottish economy.

Each college not only acts as a vehicle to train and educate highly skilled individuals for the workforce, but also act as anchor institutions within the areas they are located, helping to support and boost economic growth within those regions.

Beyond growth, colleges also provide significant opportunities to everyone in society, helping to widen access to individuals facing significant barriers to their education and helping to close the attainment gap across Scotland.

Given this, colleges are therefore fundamental in helping the Scottish Government achieve its policy aims, particularly those outlined as part of the National Strategy for Economic Transformation published in March 2022.

In this report we model the contribution of college graduates to the Scottish economy and find that those graduating between 2016/17 and 2020/21:

- Make the Scottish economy cumulatively better off by around £52bn over their 40-year working life, when compared to a scenario in which these skilled graduates had not entered the labour market.
- Help to boost labour productivity by 2% in the long run across the Scottish economy.
- Support an additional 203,000 FTE jobs in the Scottish economy over their 40-year participation in the labour force.
- The Scottish Government's £4.1bn investment, via The Scottish Funding Council between 2016/17 and 2021/22, led to a £52bn boost to the GDP of the Scottish economy and a £18.2bn boost to government revenues. The investment in multiple years of college graduates therefore represented 22.5% of the return in terms of boost in GDP, and 8% in terms of the boost to government revenues.

As well as their educational offerings and the contribution of the hundreds of thousands of college graduates entering the labour force, college spend also supports vast economic growth and employment in the Scottish economy.

Colleges spent over £200 million in 2019-20[1], helping to support an additional 4,400 FTE jobs and £225 million in Gross Value Added (GVA) across the whole Scottish economy

The structure of this report is as follows. In Section 1 we provide a brief overview of the colleges sector in Scotland.

In Section 2, we present our modelling results of the system-wide impacts of college learners, both for a single graduation cohort and multiple year cohort.

For the remaining sections of the report, we align the contribution of colleges to the pillars of the Scottish Government's National Strategy for Economic Transformation, highlighting the role colleges have to play in supporting The Scottish Government's policy ambitions.

Section 4 therefore provides insight to the role of colleges in developing a skilled workforce and Section 5 highlights the significant contribution of colleges to widen access to education.

Finally, Section 6 explores the ability of colleges to foster innovation and boost entrepreneurship in Scotland.

1 This only accounts for capital and operating expenditure, hence does not including staffing costs, which accounts for the majority of college spend as shown in Table 3.

2. An overview of the college sector in Scotland

Colleges provide a diverse range of courses and qualifications to individuals across the whole education spectrum, from school learners to postgraduate degrees.

Colleges are also uniquely placed to provide both further and higher education to all regions of Scotland, helping to boost educational attainment across the country.

In 2021/22, there were 321,850 enrolments in recognised college qualifications across Scotland, which has grown significantly since 2016/17.

Table 1: Number of enrolments in Scotland's colleges by National Vocational Qualification (NVQ), 2016/17 – 2021/22

SCQF Level	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
1	5660	10,020	8,455	6,515	4,660	7,850
2	25,360	23,950	21,395	18,750	20,525	22,125
3	24,310	23,425	31,705	22,495	15,200	25,355
4	51,685	55,525	63,250	55,450	38,610	56,750
5	57,110	61,525	75,640	77,310	74,465	86,125
6	57,625	62,580	69,885	65,845	66,020	70,485
7	30,425	30,545	30,075	29,240	31,610	29,705
8	22,520	22,505	22,710	21,430	23,080	20,300
9	2,135	2,135	2,035	2,070	2,105	2,285
10	425	450	630	680	745	785
11	45	60	40	65	100	85
Total	**277,300**	**292,720**	**325,820**	**299,850**	**277,120**	**321,850**

**excludes those funded outside of Scotland, rUK and EU*

Source: *Scottish Funding Council*

As well as these courses provided, colleges also generate and spend significant amounts of money across Scotland.

In 2020/21, colleges spent around £841 million, generating income of over £792 million[2].

Table 2: College income for 2019/20 and 2020/21 (£ million)

Type of Income	2019-20	2020-21
SFC/RSB grants	595	622
Tuition fees and education contracts	114	114
Donations, endowment and investment income	0.15	0.24
Research grants and contracts	2	3
Investment Income	0.13	0.52
Other income	64	54
Total income	775	792

Source: *Scottish Funding Council*

2 Colleges also made profit on several sources such as revaluation of assets and actuarial gain on pension schemes therefore overall income was over £1 billion once these are accounted for.

Table 3: College expenditure for 2019/20 – 2020/21 (£ million)

Type of Spending	2019-20	2020-21
Staff Costs	566	586
Other exceptional costs	2	7
Other operating expenditure	171	165
Depreciation	60	58
Interest Payable	26	27
Total spending	826	841

Source: *Scottish Funding Council*

Colleges also help to support substantial employment in a variety of different forms.

There were 10,700 Full-Time Equivalent (FTE)[3] staff in Scottish colleges in 2021/22, of which 4,540 were teaching staff, and the remaining 4,500 were non-teaching staff.

Whilst employment in colleges has fallen slightly since 2016/17, the nature of employment has changed.

In recent years, there has been a major shift to more permanent full-time and part-time employment, with a large shift away from temporary members of staff.

Table 4 provides an employment comparison between 2016/17 and 2021/22, highlighting the nature of jobs in Scotland's colleges.

Table 4: FTE staff by occupation and mode of employment, 2016/17 – 2021/22

			2016/17	% of staff	2021/22	% of staff	% change between years
Teaching	Permanent	Full-time	3,570	33%	3,500	33%	-2%
		Part-time	1,280	12%	1,710	16%	34%
		Total	***4,850***	***44%***	***5,200***	***49%***	***7%***
	Temporary	Full-time	75	1%	80	1%	4%
		Part-time	470	4%	220	2%	-53%
		Total	***540***	***5%***	***300***	***3%***	***-45%***
Teaching total			5,400	49%	5,510	51%	2%
Non-teaching	Permanent	Full-time	3,720	34%	3,540	33%	-5%
		Part-time	1,275	12%	1,375	13%	8%
		Total	***4,990***	***46%***	***4,910***	***46%***	***-2%***
	Temporary	Full-time	320	3%	274	3%	-15%
		Part-time	230	2%	7	0%	-97%
		Total	***550***	***5%***	***281***	***3%***	***-49%***
Non-teaching total			5,550	51%	5,190	49%	-6%
Staff total			**10,940**		**10,700**		

**Numbers may not sum due to rounding*

Source: *Scottish Funding Council*

3 See Scottish Funding Council

3. System-wide impacts of college learners

In this section we summarise our modelling results of the economic contribution of both a single and multiple years of graduation cohorts.

Using our AMOS model for the Scottish economy, we simulate the long-term contribution of both a single-year graduation cohort (2021/22) and multiple years of graduation cohorts (2016/17 - 2021/22).

Throughout this report we refer to the 'long-run' which refers to the assumed **40-year** period post-graduation in which graduates participate in the labour force.

After 40 years, we remove the estimated uplift in productivity and model for a further 45 years, meaning in total we can examine the contribution of graduates over an 85-year period.

Our estimates of the uplift in GDP are also presented in net present value (NPV) terms, meaning we have expressed the future values in current prices.

Table 5 shows the number of successful completions of graduates by year of qualification[4] that we model, and includes only an individual's highest qualification within that given year i.e., where an individual achieves an HNC and HND in a given year, then we include only the HND.

We also include in column 2 estimates of the wage premia associated with each level of National Vocational Qualification (NVQ). These premia are taken from McIntosh and Morris (2016) which uses pooled Labour Force Survey data for 1997-2015 and provides estimates of the wage premium for each NVQ level achieved when compared to individuals with no qualifications.

We provide a more detailed description of our methodology in Technical Annex A, which is appended to this report.

Table 5: Number of recognised completions of qualifications by college graduates by NVQ level, 2016/17 – 2021/22

	Wage Premia	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
NVQ1	2.7%	31,815	28,335	29,065	23,710	18,140	21,055
NVQ2	7.2%	28,295	27,345	30,515	29,090	24,945	25,900
NVQ3	31%	55,120	58,040	59,185	57,515	56,185	52,060
NVQ4	48%	10,960	11,895	11,425	10,730	11,335	10,295
NVQ5	41%	10	10	20	25	65	55
TOTAL	-	126,200	125,625	130,210	121,070	110,670	109,365

Source: *Scottish Funding Council, Mitchell and Morris (2016)*

Disclaimer: The results in the following section are not directly comparable to those in our previous report given that the college completion estimates used excluded qualifications that related to school-level qualifications. In this report, given that these qualifications are still recognised, we have included them. Hence, whilst the effect might appear significantly larger in comparison to our previous report, this is because we are considering a much larger cohort of students.

4 We are grateful to the Scottish Funding Council for their support and delivery of these qualification figures.

Economic impact of single graduation cohort

Our modelling suggests that a single year graduation cohort:

- Makes the Scottish economy cumulatively better off by £8bn over their 40-year working life, when compared to a economy without these skilled graduates.
- Help to support an additional 31,000 FTE jobs in the Scottish economy over their 40-year participation in the labour force.
- The Scottish Government's £740m investment, via the The Scottish Funding Council in colleges in 2021/22, led to a £8bn boost to the GDP of the Scottish economy and a £2.8bn boost to government revenues. The investment in this college cohort therefore represented 26% of the return in terms of the boost in GDP, and 9% in terms of the boost to government revenues.

Table 6 provides detailed long-run effects of changes to labour productivity reflecting the impacts of a single graduation cohort of college students for the year 2021/22.

The increase in the productivity of the Scottish labour force generated by the 2021/22 college graduation cohort is 0.31%. This increase is fed into our model of the Scottish economy and is held from year 1 to year 40, when this uplift is removed, to reflect the likely 40-year participation in the workforce of the average college graduate.

Our results suggest that over their 40-year working life, college graduates help to boost employment (hence reduce unemployment), increase real wages and help to increase investment and exports, both globally and to the rest of the UK.

The uplift in productivity from the addition of the 2021/22 college graduation cohort makes the Scottish economy cumulatively better off by around £8bn when compared to an economy without these skilled graduates.

This corresponds to a £73,000 per college graduate uplift across their 40-year working life, calculated by dividing the overall uplift in GDP by the total number of graduates (£8bn/109,365).

Furthermore, the total employment boost to the economy over the long run is equal to an additional 31,000 FTE jobs across the whole Scottish economy, when compared to an economy without the contribution of these graduates.

Table 6: Single cohort analysis for 2021/22: long-run (40-year) effects of a change in labour productivity (in percentage changes from base year values unless otherwise stated).

	Long-run
GDP	0.31
Consumer price index (CPI)	-0.17
Unemployment Rate (pp difference)	-0.08
Total employment	0.04
Nominal gross wage	-0.09
Real gross wage	0.08
Households Consumption	0.04
Investment	0.28
Capital Stock	0.28
Exports rUK	0.29
Export ROW	0.29
Total GDP (£bn)	8
Number of graduates	109,365
GDP per Graduate (£)	73,000

Source: *FAI Calculations*

Chart 1 highlights the long-run percentage changes in GDP and employment against their base line levels.

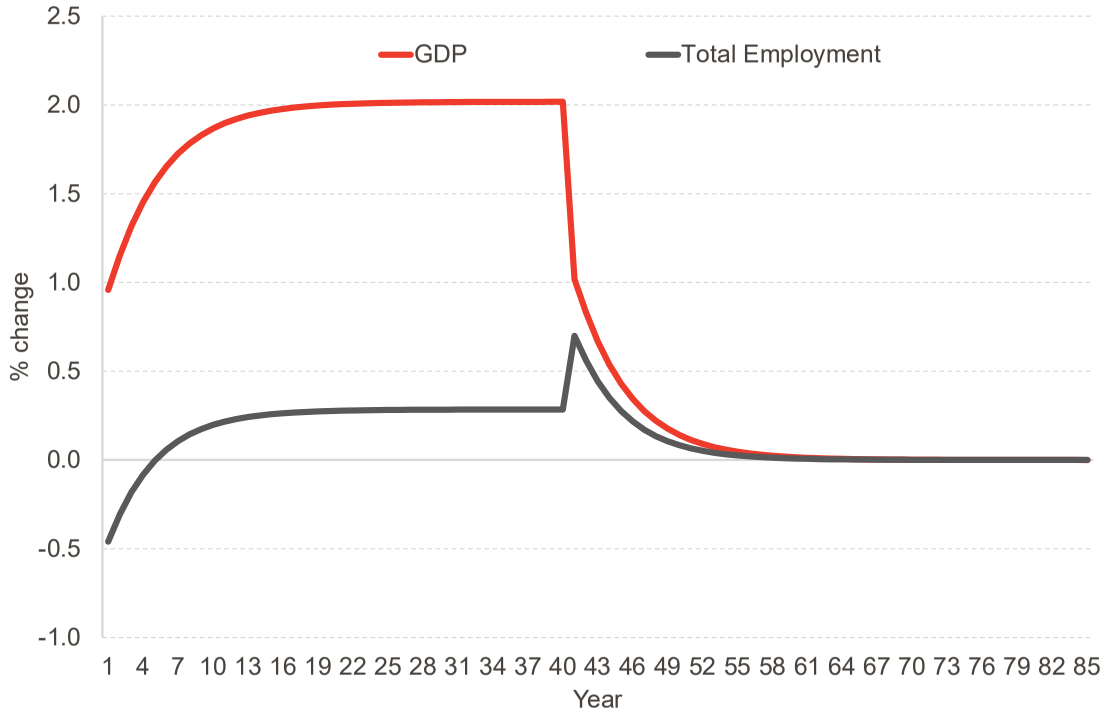
This shows that GDP reaches its equilibrium level around year 19, which is sustained until year 40, and then falls as a result of the individual likely leaving the labour market.

Employment changes initially fall and turn positive in year 6, where they remain positive until year 40.

After they leave the labour market, a 'legacy' effect of college graduates sets in, meaning that despite the labour productivity uplift in the economy being removed, employment will still likely remain higher than its baseline given the contribution of these graduates.

These employment changes therefore initially rise and then remain positive for a further decade, before the stock of human labour returns to its baseline values around year 55.

Chart 1: The impact on Scottish GDP and employment given an increase in labour productivity generated by the single 2021/22 college graduation cohort. (In percentage changes from base year values)



Source: *FAI Calculations*

We have also modelled the increased tax revenues that the boost in economic activity from college graduates supports.

Our estimates suggest that the government budget will likely be £2.8bn better off in the long run from the addition of a single year of college graduates to the Scottish economy.

In 2021/22, The Scottish Government via The Scottish Funding Council provided £740m in funding to colleges across Scotland.

This means that the 'cost' to the government of supporting colleges accounts for around 26% of the total uplift in the government's budget, and around 9% of the increase in GDP.

Economic impact of multiple graduation cohorts

Given that the number of college graduates and their associated skills likely change from year to year, our results are somewhat dependent on the choice of base-year analysed.

Furthermore, the working-age population of Scotland also changes in size each year, so there may be some room for variation in our estimates depending on the year set as the baseline.

We therefore model the contribution of multiple years of graduation cohorts, to understand the overall impact that several years of college graduates have on the economy.

The same method is used as our single graduate analysis, however here we stagger the entry and removal of the productivity uplift to reflect the different 40-year time periods in which graduates participate in the workforce (i.e., those graduating in 2016/17 will enter and leave the labour market earlier than those in 2021/22).

Our modelling suggests that multiple years of college graduation cohorts:

- Help to boost labour productivity by 2% in the long run across the Scottish economy.
- This makes the Scottish economy cumulatively better off by around £52bn over their 40-year working life, when compared to an economy without these skilled graduates.
- These graduates also help to support an additional 203,000 FTE jobs in the Scottish economy over their 40-year participation in the labour force.
- The Scottish Government's £4.1bn investment, via The Scottish Funding Council between 2016/17 and 2021/22, led to a £52bn boost to the GDP of the Scottish economy and a £18.2bn boost to government revenues. The investment in multiple years of college graduates therefore represented 22.5% of the return in terms of boost in GDP, and 8% in terms of the boost to government revenues.

Table 7 and Chart 2 provide detailed long-run effects of changes to labour productivity reflecting the impacts of multiple years of college graduation cohorts between 2016/17 and 2021/22.

The increase in the productivity of the Scottish labour force generated by multiple years of college graduation cohorts is 2%.

When fed into our model, this increase helps to boost GDP (and GDP per capita), supports additional employment and leads to increases in real wages across the Scottish economy. It also boosts investment and exports by more than 1.8%.

Our results suggest that over their 40-year working life, the uplift in productivity from the addition of the multiple cohorts of college graduates cumulatively make the Scottish economy better off by £52bn in the long run when compared to an economy without these graduates.

This corresponds to a £72,000 per college graduate uplift across their 40-year working life, calculated by dividing the overall uplift in GDP by the total number of graduates (£52bn/723,140).

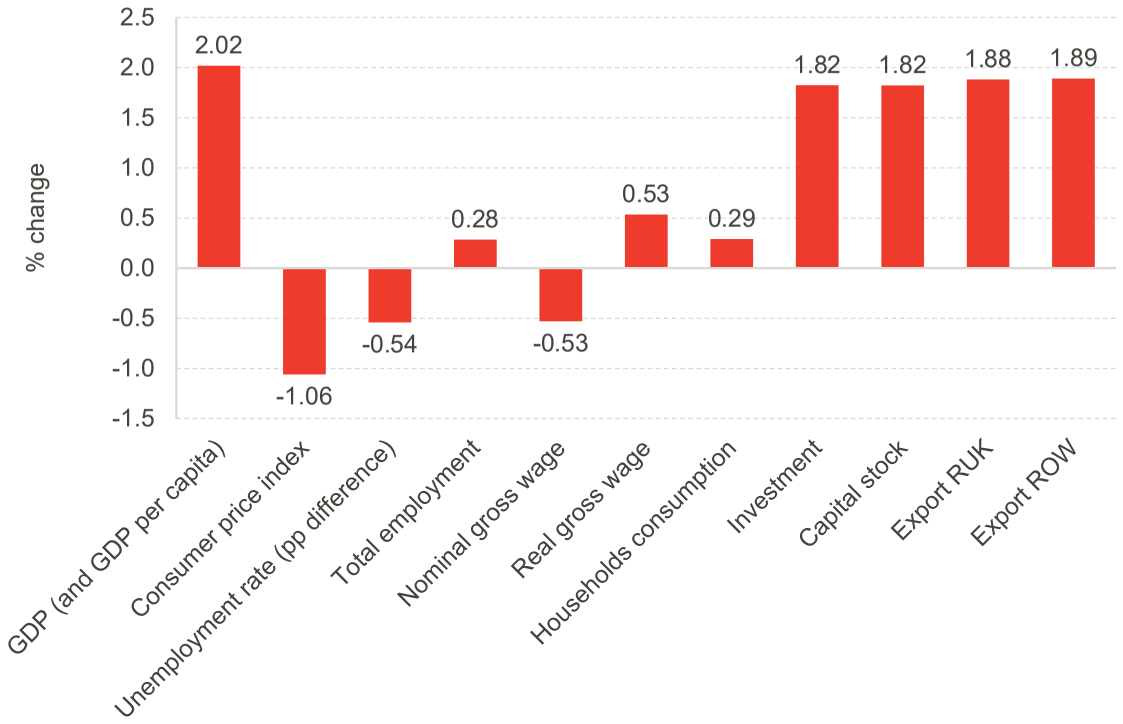
Furthermore, the total employment boost to the economy over the long run is equal to an additional 203,000 FTE jobs across the whole Scottish economy, when compared to an economy without these skilled graduates.

Table 7: Multiple cohort analysis between 2016/17 and 2021/22: long-run (40-year) effects of a change in labour productivity (in percentage changes from base year values).

	Long-run
GDP	2.02
Consumer price index (CPI)	-1.06
Unemployment Rate (pp difference)	-0.54
Total employment	0.28
Nominal gross wage	-0.53
Real gross wage	0.53
Households Consumption	0.29
Investment	1.82
Capital Stock	1.82
Exports rUK	1.88
Export ROW	1.89
Total GDP (£bn)	52
Number of graduates	723,140
GDP per Graduate (£)	72,000

Source: *FAI Calculations*

Chart 2: The impact on the Scottish economy given an increase in labour productivity generated by graduation cohorts between 2016/17 and 2021/22 (in percentage changes from base year values).



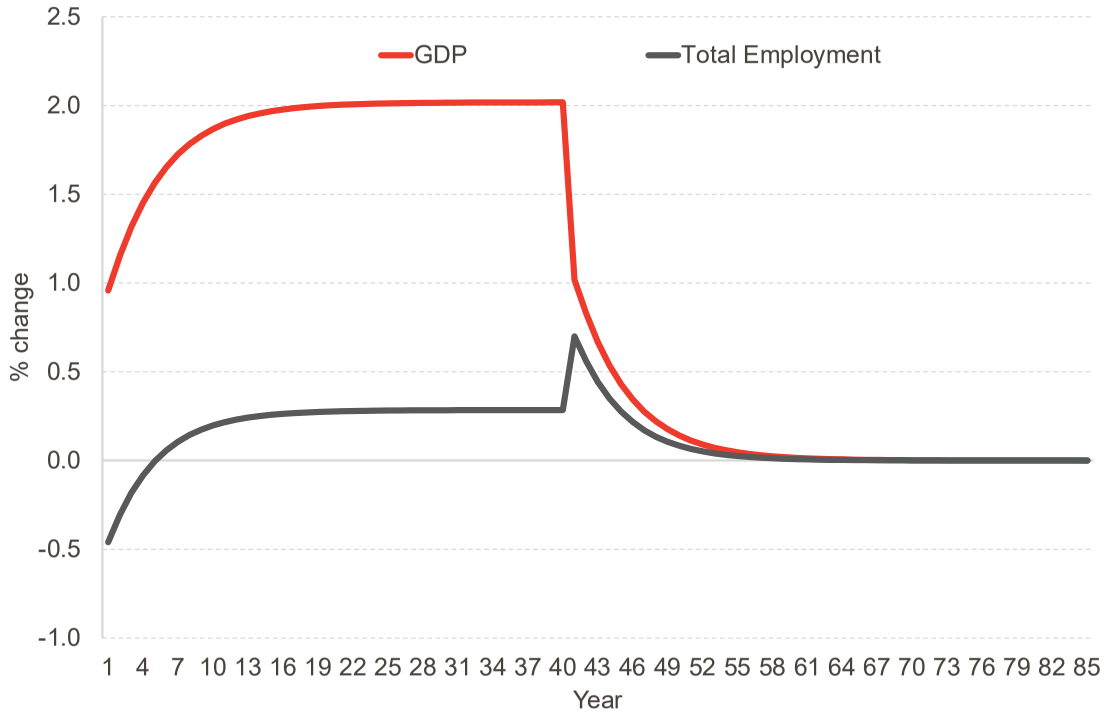
Source: *FAI Calculations*

Chart 3 then highlights the long-term percentage changes in GDP and employment against their base-line levels.

This shows that GDP reaches its equilibrium level around year 5, which is sustained until year 40, and then falls as a result of the individual likely leaving the labour market.

Again, the 'legacy' effect of these graduation cohorts is evident once the graduate cohorts leave the labour market. There is an initial stimulus to employment after the uplift in labour productivity is removed, which remains positive until Year 60 before returning to its baseline level.

Chart 3: The impact on Scottish GDP and employment given an increase in labour productivity generated by graduation cohorts between 2016/17 and 2021/22 (In percentage changes from base year values).



Source: *FAI Calculations*

We, again, model the increased tax revenues that the boost in economic activity from college graduates supports.

Our estimates suggest that the government budget will likely be £18.2bn better off in the long run from the addition of multiple years of college graduates to the Scottish economy when compared to an economy without this productivity uplift.

Table 8 shows the total value of the grants paid by The Scottish Government to Scottish colleges via The Scottish Funding Council between 2016/17 and 2021/22, which total around £4.1bn.

We therefore estimate that the 'cost' to the government of supporting colleges accounts for around 22.5% of the total uplift in the government's budget, and around 8% of the increase in GDP.

Table 8: Scottish Funding Council grants paid to Scottish Colleges (£ million)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
SFC Funding	603.6	623.5	703.5	697.6	724.6	740.9	4,093

Source: *Scottish Funding Council*

Delivering Scotland's National Strategy for Economic Transformation

In March 2022, The Scottish Government set out its National Strategy for Economic Transformation (NSET), with the aim to utilise Scotland's economic potential to its maximum and provide a more prosperous, productive and internationally competitive economy.

The strategy was set against six policy programmes of action, shown in Diagram 1. These 'pillars' aim to tackle long-term structural challenges, build on economic strengths, and position Scotland to utilise its economic opportunities over the next ten years.

Diagram 1: Pillars of Scotland's National Strategy for Economic Transformation

Source: *Scottish Government*

Colleges have a significant role to play in supporting the Scottish Government in strengthening the pillars of its economic strategy, particularly through their ability to provide essential skills and experiences for graduates entering the labour market.

In particular, colleges are in a unique position to help the government with its overall pillar of fostering a culture of delivery by utilising the interconnectedness of its five policy pillars.

Beyond their ability to provide essential skills and experiences, colleges also help to widen access and break down many of the barriers to education for vulnerable subgroups of the population.

Further to this, they can also help to skill individuals in areas that can help boost growth across all sectors of the economy, foster innovation and entrepreneurship, and boost regional economies.

Throughout this report we highlight the contribution of colleges to each of the policy pillars of Scotland's economic transformation strategy and provide insight into the role they have to play in supporting the government in achieving their policy goals.

4. Developing a skilled workforce for Scotland

One of the key pillars of Scotland's economic transformation strategy focuses on ensuring people have the skills required throughout life to have prosperous careers and meet the demands of an ever-changing economy.

As part of this, the government have prioritised adapting the current education and skills system to be more responsive to economic needs and ambitions.

Colleges play a crucial role in providing highly skilled, well-experienced graduate cohorts to the Scottish labour market, demanding high wage premia with each level of qualification attained.

Their role, in supplying fair and equal access to further and higher education means they are fundamental to supplying and maintaining the stock of skilled individuals within the Scottish labour force.

The ability of colleges to offer a diverse range of courses in all subject areas also means that all sectors of the economy benefit from their graduate cohorts.

Whether it be through the provision of more practical skills, to aid industries like construction or manufacturing; hands-on experience to boost skills in consumer-facing industries such as retail or hospitality, or providing platforms for creative individuals pursuing careers in the arts, theatre or television and film, colleges cater for all individuals and industries.

Supply of highly skilled graduates

There is body of evidence that measures the labour market benefits to an individual of education and training.

These studies find that beyond the obvious educational benefits of further and higher education, these qualifications benefit from a wage and employment premium when compared to those individuals without qualifications.

College qualifications tend to be associated with a higher probability of employment, given the associated higher level of skills that come with higher levels of qualifications.

Table 9 shows the number of college graduates successfully completing nationally recognised qualifications at Scottish colleges and the associated wage premia[5] to these qualifications.

This shows that higher qualification levels do demand higher wages when compared to individuals with no qualifications given the associated higher skill level.

5 Wage premia relates to the marginal returns on hourly earnings compared to individuals with below NVQ-1 level qualifications.

Table 9: Number of recognised completions of qualifications by college graduates by NVQ level, 2016/17 – 2021/22

	Wage Premia	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
NVQ1	2.7%	31,815	28,335	29,065	23,710	18,140	21,055
NVQ2	7.2%	28,295	27,345	30,515	29,090	24,945	25,900
NVQ3	31%	55,120	58,040	59,185	57,515	56,185	52,060
NVQ4	48%	10,960	11,895	11,425	10,730	11,335	10,295
NVQ5	41%	10	10	20	25	65	55
TOTAL	-	126,200	125,625	130,210	121,070	110,670	109,365

Source: *Scottish Funding Council, Mitchell and Morris (2016)*

The wage premia estimates are taken from McIntosh and Morris (2016) and use pooled Labour Force Survey data for 1997-2015 to estimate the associated hourly wage returns by each level of vocational qualifications.

This research also explores marginal returns to education by subject for those holding National Vocational Qualifications at levels 2 and 3, providing insight as to what areas of study tend to have the highest estimated wage returns.

The results find that for those with an NVQ Level 2, despite having lower wage returns in comparison to higher levels of qualifications, occupations in management, secretarial and business-related subjects have returns as high as 10%.

For those with Level 3 NVQ's, the highest level of NVQ considered within this analysis, occupations in Engineering, Manufacturing and Construction have the highest marginal returns, with returns between 20% and 40%.

Employment supported by college spend

As detailed in Section 2, our cohort modelling highlights that there is a direct uplift in labour productivity resulting from a single year of college graduate cohorts of 0.31%.

When fed into our model, these highly skilled graduates help to make the Scottish economy better off by around £8 billion, demonstrating the significant contribution of college graduates to the economy.

However, as well as the contribution of skilled college graduates to the labour force, we also model the contribution of the money spent by colleges.

Using our Input-Output model of the Scottish economy for 2019, we model the contribution of both colleges' operating (OPEX) and capital (CAPEX) expenditures in the same year[6].

We collected these spending figures from both individual and consolidated college accounts published by the Scottish Funding Council.

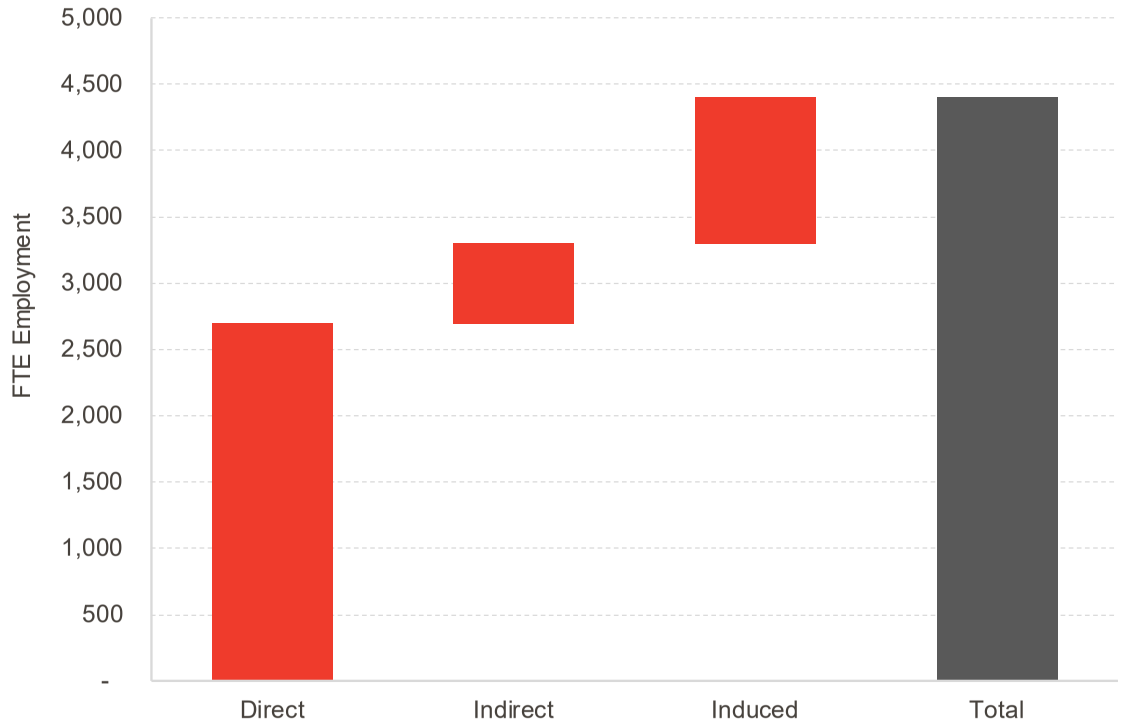
A more detailed methodology for this modelling is provided in Technical Annex B, appended to this report.

Our modelling suggests that on top of workers already employed within colleges, their spending helps to support additional employment across the Scottish economy.

We estimate that college spend supports an additional 4,400 FTE jobs across the Scottish economy, of which 2,700 FTE jobs are supported by the direct spending of colleges alone.

Chart 4 highlights the direct, indirect and induced FTE jobs supported by college spend across the economy.

Chart 4: Economic impact of colleges' spending, FTE employment (2019)



Source: *FAI Calculations*

6 We model college expenditure from 2019 given that our model uses Input-Output tables published by The Scottish Government, for which the latest year is 2019.

As well as the FTE employment supported by direct college spending, we estimate that an additional 1,700 FTE jobs are supported across the wider sectors of the Scottish economy.

These jobs are supported via the supply chains serving colleges and the spending of wages by workers within them i.e., the indirect and induced effects.

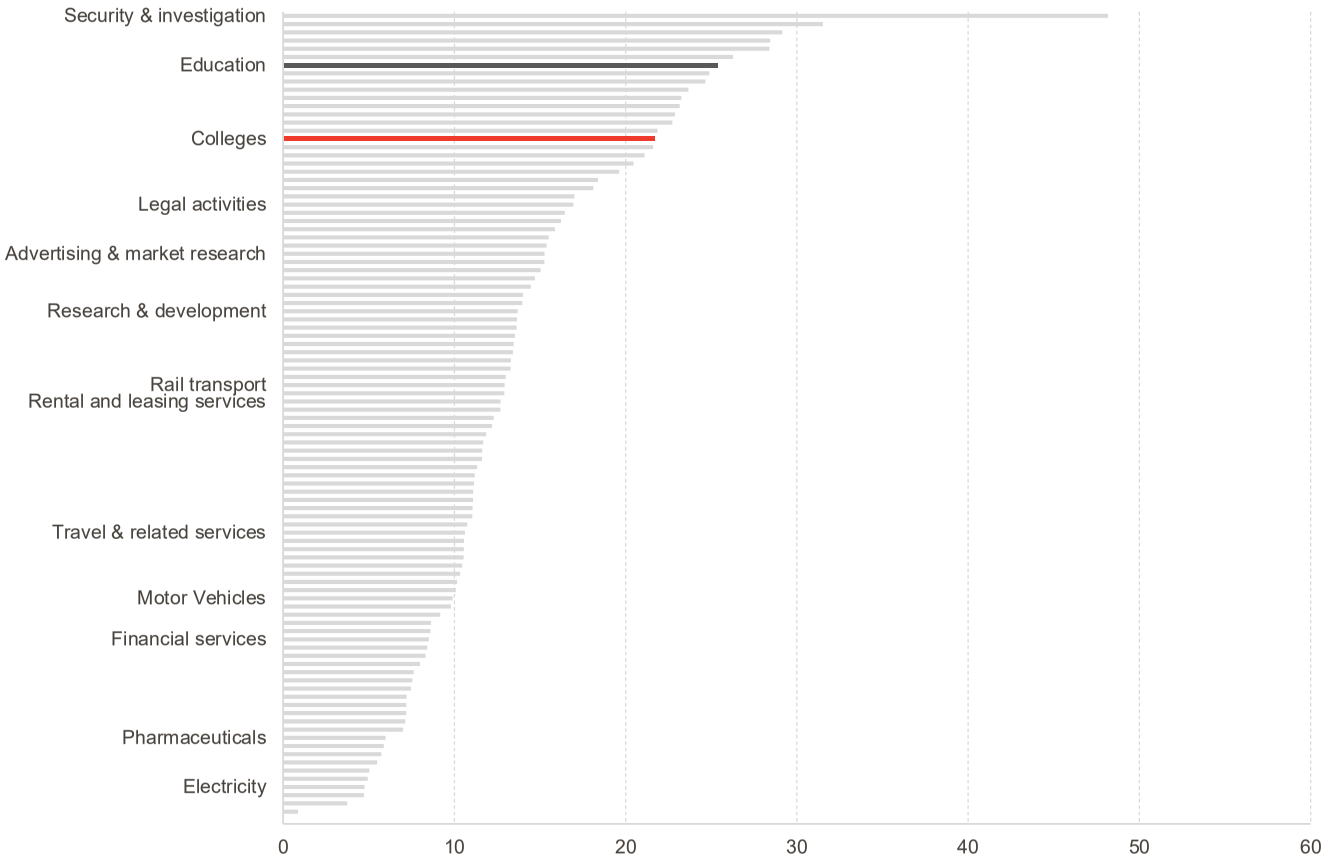
This means that for every 1 job supported by direct college spend, 0.6 jobs are supported elsewhere in the economy.

In fact, when we compare the employment-output multiplier of colleges – the measure of how many jobs are supported per £1m of output – to the other 97 sectors of the Scottish economy, they rank 14th, as shown in Chart 5.

Put simply, this means that similar to the education sector, college spending supports significant employment across the wider Scottish economy.

Unsurprisingly our modelling also suggests that colleges support high employment in the education sector, however also other sectors such as retail, real estate and food and beverage services.

Chart 5: Comparison of Type II FTE jobs-output multipliers across 97 sectors of the Scottish economy & college spend. Selected sectors labelled.



Source: *FAI Calculations*

CASE STUDY

Supporting the development of Scotland's maritime industry, North East Scotland College

Like most institutions across the country, the Scottish Maritime Academy (SMA), a part of North East Scotland College, faced an ongoing challenge of how best to organise its course provision to continue to support the Scottish maritime industry's training needs during, and in the aftermath of, the COVID19 pandemic.

A key element of their response to this challenge was the greater use of digital technology, and particularly hybrid learning, to better accommodate learners that are often spread across the UK and beyond. To support this approach, as well as making greater use of the College's virtual learning environment (VLE), the SMA installed a range of new digital technology, such as high-definition screens, microphones, cameras, and a range of new software, to support the creation of a future-proof hybrid classroom, as well as providing training for those who would be using the new classroom for course delivery.

The hybrid classroom proved a success and was particularly effective when used to deliver a number of the SMA's mandatory 12-week training programmes for learners hoping to progress in careers in fishing and the merchant navy. It allowed students restricted from travelling to join SMA programmes and showed no negative effect on outcomes or retention. Indeed, the success of this approach was recognised when the SMA's hybrid classroom was nominated for awards, by the Northern Star and Fishing News respectively.

While many at the SMA acknowledge that remote learning does have some remaining disadvantages versus face-to-face instruction, particularly around the socialisation and on-site collaboration that is particularly important in the maritime sector, the decision was made that hybrid learning should remain an option for SMA beyond the end of the pandemic. This allows SMA to continue to provide programmes for those in the sector who require upskilling or who want to change careers but for whom flexibility, especially around travel, is required in order to do this.

A huge success story was one fisherman student. He split his 12 weeks up into three different locations: sometimes at college, sometimes at home, and sometimes in the shipyards in Denmark, where he would be working. We said ok, as long as you log in – no problem. And he did, and he passed every exam with flying colours. ~ ***Christopher Bell, the Head of Scottish Maritime Academy***

Hybrid learning has therefore become an increasingly important tool for SMA in terms of attracting a wider range of students, including those from further afield which, in turn, allows it to do more to support the development of the maritime industry at a national rather than local level. Through its adapted digital delivery, the Scottish Maritime Academy is supporting a wider range of individuals with access to career progression opportunities in the industry, while also helping to ensure the Scottish fishing and maritime industry has the skills it needs to thrive and remain internationally competitive.

Addressing skills gaps

In recent years, one of the key policy aims in Scotland and the wider UK has been the need to address skills gaps particularly as the economy transitions to net zero, making many occupations, such as those in oil and gas obsolete.

Further to this, the transition to home and flexible working means the nature of many occupations has changed with a much higher reliance on digital and technology than was the case in the pre-Covid labour market.

As part of this, a recent review commissioned by the Scottish Government sought to explore the skills landscape in Scotland.

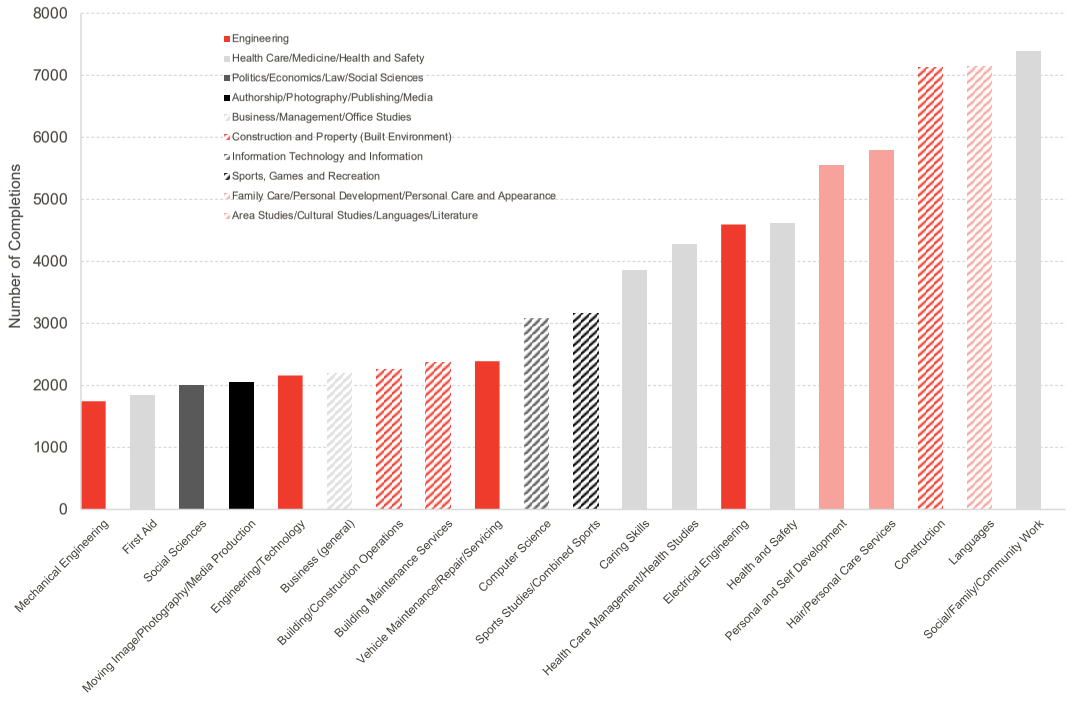
The Independent Review of Skills Delivery Landscape was conducted by James Withers, and provided major recommendations to the government on how to deliver skills in Scotland.

As part of the review, it was identified that skills should not sit separately to higher or further education but instead are a product of a good learning system and that colleges have a significant role to play in delivering skills in Scotland.

Colleges sit at the forefront of 'skilling up' the nation through its diverse and extensive selection of further and higher education courses.

Of the top 20 subjects in terms of number of completions, there are 10 different subject areas represented, as shown in Chart 6, highlighting the breadth and popularity in the variety of courses offered by colleges.

Chart 6: Most enrolled further education courses by subject and subject area, 2021/22



Source: *Scottish Funding Council*

As well as the further and higher education courses provided by colleges, qualifications achieved in Scotland's colleges are often used by individuals to gain entry to university and degree programmes, helping to further skill-up the labour force in Scotland and the wider UK.

An advanced standing is where an individual uses one qualification to gain entry to another i.e., using an HND to gain access to an undergraduate degree.

In 2021/22, 1 in 5 Scottish domiciled degree entrants were college students entering universities within 3 years of completing a college course, which rises to 1 in 3 students when we remove the within 3 years element.

CASE STUDY

Supporting Regional Economic Development through Digital Transformation, Edinburgh College

In October 2021, Edinburgh College launched a Digital Care Hub, in partnership with the University of Edinburgh, designed to provide greater skills and opportunities to health and social care students in the Lothians, with a focus on providing the digital skills required to work in the sector. The hub now sits within the College's School of Health Professions and Social Services, which provides a range of Healthcare, Social Services and Social Care routes for around 4500 students per year.

With the ongoing challenges in Scotland's health and social care system (staff shortages and increased demand, driven by an ageing population and exacerbated by the covid-19 pandemic), the College aimed to design a new future-proofed learning space that would allow an expansion and enhancement of the College's provision in this area. This resulted in the development of the Digital Care Hub, which provides an innovative, immersive space for health and care students (including school-college partnership pupils) - taking them out of the traditional classroom environment and into a state-of-the-art facility. The hub, within the College's Sighthill Campus, equips students with the transferable skills required to fulfil a successful career in areas including Health and Social Care, Dental and Pharmacy with a particular emphasis on technology-enabled care.

With funding support from the University of Edinburgh and several other sources, the Hub opened its doors in 2021. National skills gaps and challenges faced by the sector informed the design of the space, with a focus on technology-enabled care. The facility contains a replica ward with a patient room, a care at home room, a virtual reality suite and an oral health and pharmacy suite – all replicating workplace environments and enabling simulation of real-life situations, leading to a more practical learning experience.

The Digital Care Hub is already having an impact in several ways. Firstly, it encourages the delivery of curriculum with the support of state-of-the-art facilities, which also gives the means to exchange expertise between teams that were previously working in isolation. By extension, the Hub's spaces facilitate moving away from traditional closed book assessment and towards a more authentic, practical approach. Secondly, the Hub helps develop students' digital skills by meaningfully incorporating them within the learning process. In turn, this makes these skills a natural part of future practitioners' roles and helps support technology-enabled care.

At the heart of the hub's innovation, is the award-winning Dementia Care VR Programme, developed as part of a partnership with technology company Cadpeople to create a ground-breaking software programme which uses Virtual Reality to teach a key SQA Module in Dementia Care. This moved the Hub from being a physical entity to a digital learning framework and has supported the college in winning a contract with one of the biggest care providers in Edinburgh for dementia training for support workers. This highlights one of the key impacts of the Hub, as Caroline Hairs (the Head of School) explains:

The biggest priority when designing the spaces was about full-time students and students coming through school-college partnerships. It was about bringing learning to life for them, so that they come in, put their scrubs on, get into rooms and into character and learn about the professionalism. And that is all happening. But what has also happened is that regional employers are interested in our space. So, we have local authorities and NHS boards who are becoming increasingly interested in using our spaces for upskilling the existing workforce.

~ Caroline Hairs, Head of School

As a result of the success of the Hub, the College now receives near-daily requests from external partners interested in the use of facilities and bespoke learning packages, demonstrating not only the Hub's potential in closing the regional skills gap but also in providing a future commercial income stream for the college.

With an increased focus on health and social care integration across Scotland, the Hub therefore enables the College to demonstrate the importance of health, social care, pharmacy, and other care areas working together and supports the college's ambition to provide a symbiotic and work-ready health and care workforce that supports the region's economic growth.

5. Widening access of education in Scotland

In line with the fifth pillar of Scotland's economic transformation strategy to support a fairer and more equal society, the work of colleges to widen access plays a significant role in broadening the accessibility of further and higher education to everyone.

The pillar aims to realign the economy towards wellbeing and fair work, deliver higher employment and wage growth, with the main aim to reduce structural poverty and improve outcomes for disadvantaged communities.

College's support of this is evident in the number of enrolments and completions by students who face barriers in their education due to certain characteristics or demographics.

In this section, we explore the work of colleges to widen access to further and higher education in Scotland.

Deprivation quintile

One of the main barriers to education in Scotland is location, particularly the deprivation and poverty rooted in many of the areas in Scotland.

The location of colleges is pivotal in Scotland, in order to bring education closer to all areas of the country, helping to make further and higher education accessible to everyone.

The 24 colleges are spread across 70 campuses in Scotland, with many having multiple campuses in several different areas.

Scotland's Index of Multiple Deprivation is the relative measure of deprivation in Scotland, which ranks an area's deprivation based on a number of factors such as crime, education and employment.

Table 10 shows that of the 70 college campuses in Scotland, 14 are located within the top 20% most deprived areas of Scotland, with a further 20 in the 40% most deprived areas.

Put simply, this means that around half of Scotland's colleges are located in areas with relatively high deprivation when compared to other areas across the country.

Table 10: College campuses located in top 20% and 40% most deprived areas in Scotland

	College	Campus
Top 20% most deprived areas	Ayrshire	Kilwinning
	Ayrshire	Ayr
	Borders	Galashiels
	Forth Valley	Falkirk
	Glasgow Kelvin	Easterhouse
	West Lothian	Livingston
	Dumfries and Galloway	Dumfries
	Fife	Glenrothes
	Forth Valley	Alloa
	Glasgow Clyde	Anniesland
	New College Lanarkshire	Motherwell
	UHI North Highland	Dornoch
	West	Clydebank
	West	Greenock
Top 40% most deprived areas	City of Glasgow	City
	City of Glasgow	Riverside
	Dundee and Angus	Arbroath
	Dundee and Angus	Kingsway
	Glasgow Kelvin	East End
	New College Lanarkshire	Cumbernauld
	Newbattle Abbey	Newbattle Abbey
	UHI Inverness	Balloch (School of Forestry)
	UHI Moray	Moray Street
	UHI Orkney	UHI Orkney
	UHI West Highland	UHI West Highland
	Edinburgh	Milton Road
	Fife	Kirkcaldy
	Fife	Rosyth
	Glasgow Kelvin	Springburn
	NESCOL	Aberdeen City
	SRUC	Aberdeen
	SRUC	Cupar
	UHI Shetland	UHI Shetland
	West	Paisley

Source: *SIMD 2020*

As well as bringing education closer to everyone in society, colleges also do well to support these individuals in achieving both further and higher education qualifications.

Chart 7 highlights that between 2013/14 and 2021/22, the completion rate of full-time further and higher education courses by those from the bottom 20% of the most deprived areas in Scotland was over 50%.

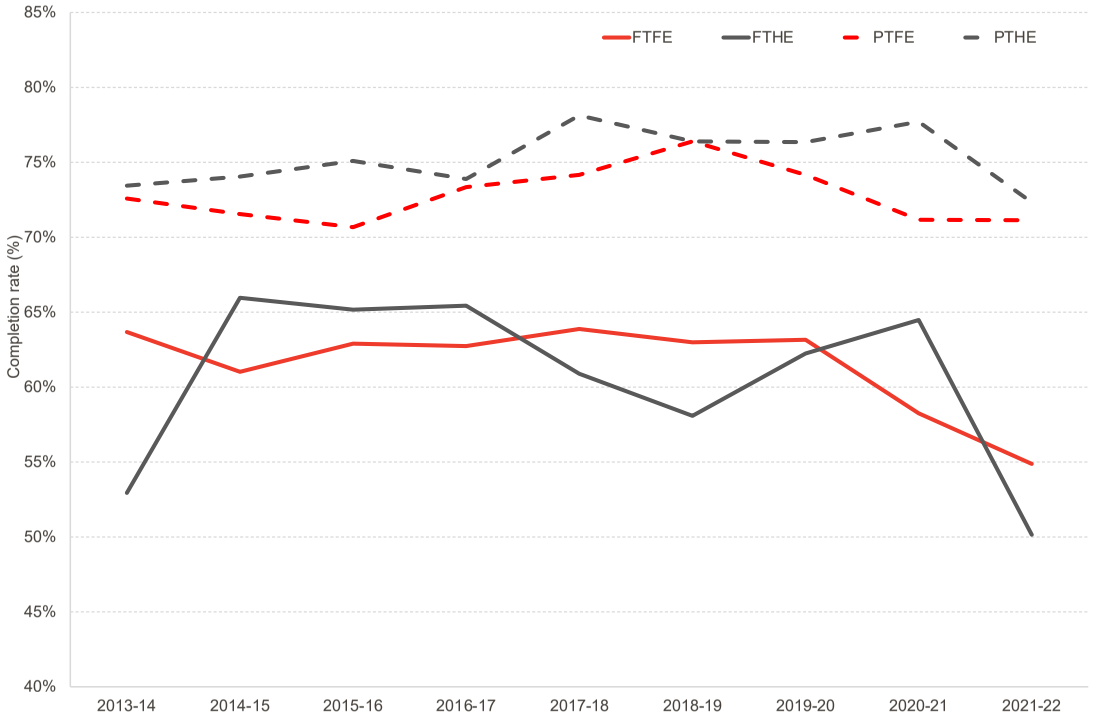
Completion of part-time courses was far higher for individuals from these areas, with a 71% completion rate for further education and 72% for higher education.

However, the significant impact the Covid-19 pandemic has had on individuals ability to complete further and higher education courses is evident, in particular for those from more deprived areas which have fallen around 8 percentage-points between 2019 and 2021.

A report by The Scottish Government in 2020 highlighted this issue further, showing that as many courses moved fully online, students from more deprived areas were more likely to be negatively impacted than peers given reasons such as access to IT, reliable Wi-fi and secure study spaces being more challenging for these individuals.

95% of individuals from the 20% most deprived areas, however, do reach a positive destination once leaving college, the same share of individuals from the top 20% least deprived areas, highlighting the opportunities colleges provide to close the attainment gap.

Chart 7: Completion rate of entrants at Scotland colleges from SIMDo-20 quintile, 2013/14 – 2021/22



Source: *Scottish Funding Council*

Furthermore, the role of colleges in providing opportunities for individuals to pursue further and higher education is also evident for those from more deprived areas.

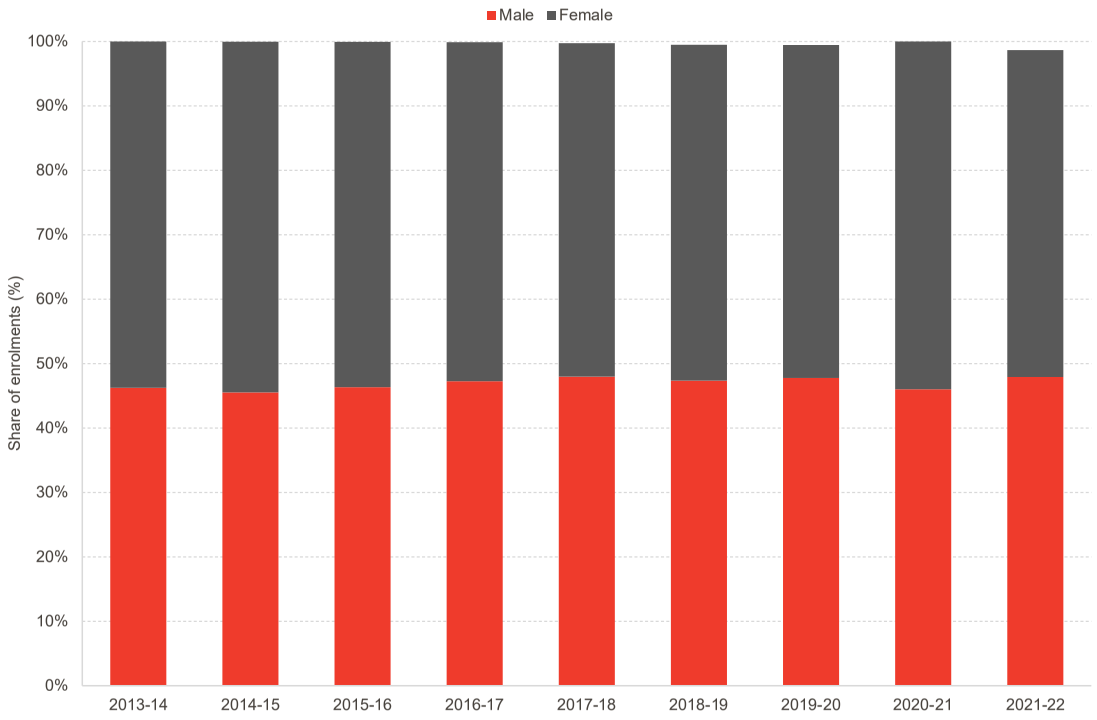
In 2021/22 there were around 5,600 first-degree entrants by Scottish domiciled students from the most deprived areas of Scotland, which had grown around 40% since 2015/16. Of these students, 46% entered university for their first degree through college routes.

Gender, ethnicity and disability status

Colleges also do well to maintain gender balance in their student cohorts. Chart 8 highlights that since 2013/14, the split of male and female enrolments has been relatively balanced, with slightly more females enrolled in full-time further education than males.

Both males and females were also equally likely to reach a positive destination after college, with 95% of individuals going onto a positive outcome.

Chart 8: Proportion of enrolments to full-time further education courses 160+ hours by gender, 2021/22



Source: *Scottish Funding Council*

College students are also diverse in terms of race and ethnicity.

60% of individuals from black and ethnic minority groups completed both full-time higher and further education courses in 2021/22, with this around 76% for part-time enrolments.

As part of its widening access commitments, colleges also offer accessible pathways to further and higher education to those with disabilities.

Economic inactivity is a pressing issue for both the Scottish and UK Governments. The inactivity rate in Scotland is higher than in the UK, with 22.3% of the Scottish working age population currently inactive compared to 20.8% in the UK.

One of the most common reasons for economic inactivity in Scotland is those with long-term illness or health conditions, with around 32% of working-age individuals inactive due to this reason.

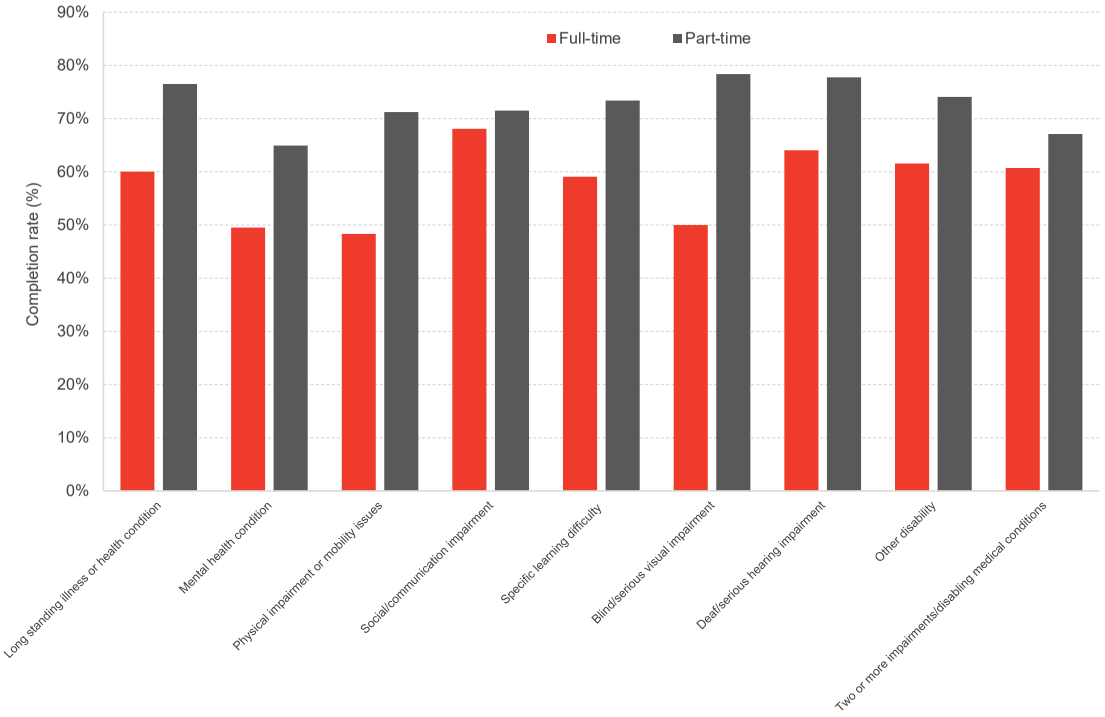
Individuals with disabilities face greater barriers to most education too, given reasons such as physical accessibility, inadequate funding opportunities and lack of one-to-one teaching, particularly in bigger education institutions with high student numbers.

Around 60% of individuals enrolling with a disability completed either full-time higher or further education. This increases to 70% when considering part-time education.

Further to this, the Fraser of Allander Institute has done extensive work into the employment landscape for people with learning disabilities, with the research finding that employment outcomes for these individuals are poor, with little progress made.

Colleges directly support these individuals, with 73% of enrolments of people with specific learning difficulties completed in 2021/22. This was as high as 80% for those enrolling in part-time higher education courses, and 60% for those in full-time higher education courses.

Chart 9: Successful completion rates of further education courses by individuals, by disability, 2021/22



Source: *Scottish Funding Council*

Care-experienced young people

As part of the Scottish Funding Council's National Ambition for Care-Experienced Students, colleges in Scotland also have a requirement to aid the SFC in ensuring that there is no difference in outcomes between care-experienced and non-care-experienced students by 2030.

As part of this, the SFC commissioned a survey of care-experienced students in Scotland's colleges and universities, with a set of recommendations provided to assist the SFC in meeting their national ambition.

Care-experienced young people are far more likely to have a disrupted educational experience, with attainment not only linked to other health and economic outcomes but can also have negative implications for an individual's prospects in later life.

A report by the Scottish Government in 2019 found that despite many care-experienced individuals having positive experiences with the education system, 44% of these children left school at the age of 16, compared to 11% of all school leavers.

Further to this, only 39% of these individuals had one or more qualifications at SCQF level 5 compared to 86% of all pupils.

The same research found that in 2017-18, around 21% of cared-for young people were classed as unemployed nine months after school, highlighting the domino effect on education and labour force participation that being a care-experienced individual can have.

Colleges do well to provide opportunities to care-experienced people, particularly given their ability to provide both part-time and full-time higher and further education courses.

Further education also provides an opportunity for these individuals to attain qualifications that they may not have otherwise done at school, helping to close the attainment gap between care-experienced young people and their peers.

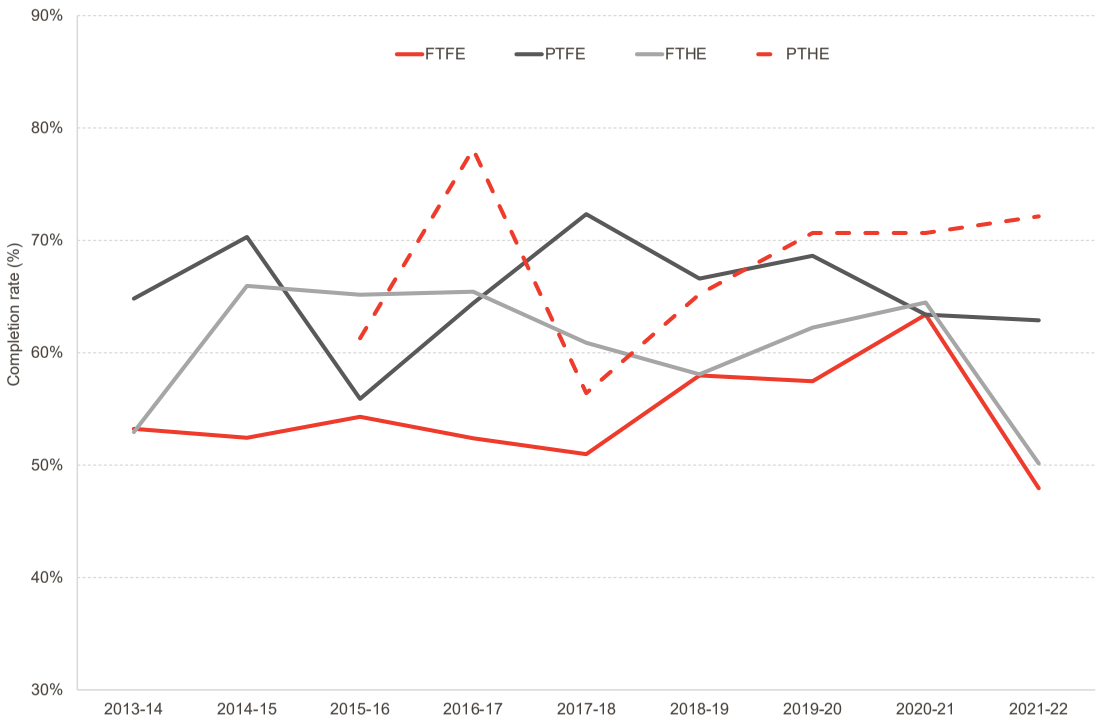
For 2021/22, completion of enrolments by care-experienced individuals was 72% for part-time higher education courses, with completion at 63% for part-time further education courses, Chart 10.

Furthermore, both full-time further and higher education courses had completion rates of around 50%.

However, despite a relatively high share of full-time and part-time completions between 2013 and 2021, the pandemic, again, had a significant impact on those individuals on full-time courses with caring requirements.

Care-experienced individuals were however highly likely to go onto a positive outcome after college, with 95% of these students going on to a positive outcome.

Chart 10: Successful completion rates by care experienced individuals, 2013/14 - 2021/22



Source: *Scottish Funding Council*

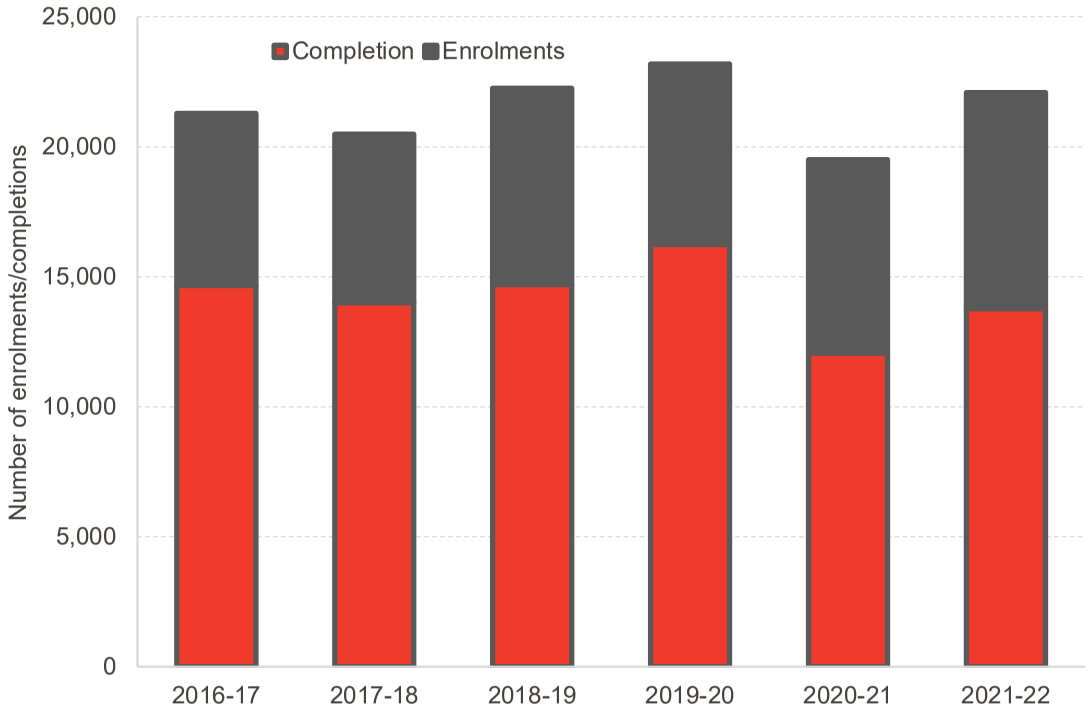
Schools outreach

Another way that Scotland's colleges meet their widening access ambitions is through their school's outreach programmes, delivering further education to students earlier in their learning experience to improve outcomes later in life.

There were over 20,000 school pupils enrolled in Scottish college courses in 2021/22, with around 62% of pupils fully completing these qualifications and a further 21% partially completing these courses, Chart 11.

By offering further education opportunities so early in a young person's life, colleges not only help to strengthen these individuals' skills and human capital, but also provide an opportunity to encourage students to pursue careers in professions where there are skill shortages.

Chart 11: School pupil college enrolment and completions, 2016/17 – 2021/22



Source: *Scottish Funding Council*

6. Productivity, Innovation and Entrepreneurship

With colleges located in all areas of Scotland, both rural and urban, the potential to boost skills and productivity across all regions is vital for colleges to support this pillar.

Boosting the productive and innovative capacity of Scotland's firms, industries, regions, communities and public services is the third pillar of Scotland's national strategy.

Colleges are anchor institutions within their regional economies, helping to drive regional economic and inclusive growth, attracting and retaining talent and expertise to all areas of Scotland.

Throughout this section, we find that:

- College spending helps to support an additional £225m in Gross Value Added (GVA) across the Scottish economy.
- When compared to the other 97 sectors of the economy, colleges have the second highest GVA-output multiplier, the measure of GVA supported per £1m of output.
- The college sector has the same GVA-output multiplier as the education sector, helping to support both growth regionally in the areas they are located and nationally in Scotland as a whole.

At present, there are 24 colleges across Scotland, offering both higher and further education opportunities to all individuals in most areas.

As part of The College Sectors Statement of Ambition these institutions are seen as a vehicle to accelerate strategic partnerships in an area, helping to boost growth locally and regionally, which in turn helps to boost national growth.

Recognising the strength colleges play in regional economies, the Scottish Government have set a number of regional partnerships between schools, colleges and employers.

For example, the Developing the Young Workforce Regional initiative has led to the creation of 21 industry-led regional groups with the aim to encourage and support employers to engage directly with schools and colleges to challenge and support employers to recruit more young people.

The location of colleges is crucial, both in terms of the accessibility it provides, but also the economic activity it helps to generate in that area.

Using our Input-Output model for the Scottish economy we estimate that college spend directly supports an additional £116 million in Gross Value Added, which rises to £225 million when we consider the wider spill over effects across the economy, Table 11.

Table 11: Number of recognised completions of qualifications by Scottish domiciled graduates by NVQ level, 2016/17 – 2021/22

	GVA
Direct	116
Indirect	34
Induced	75
Total	225

Source: *Scottish Funding Council*

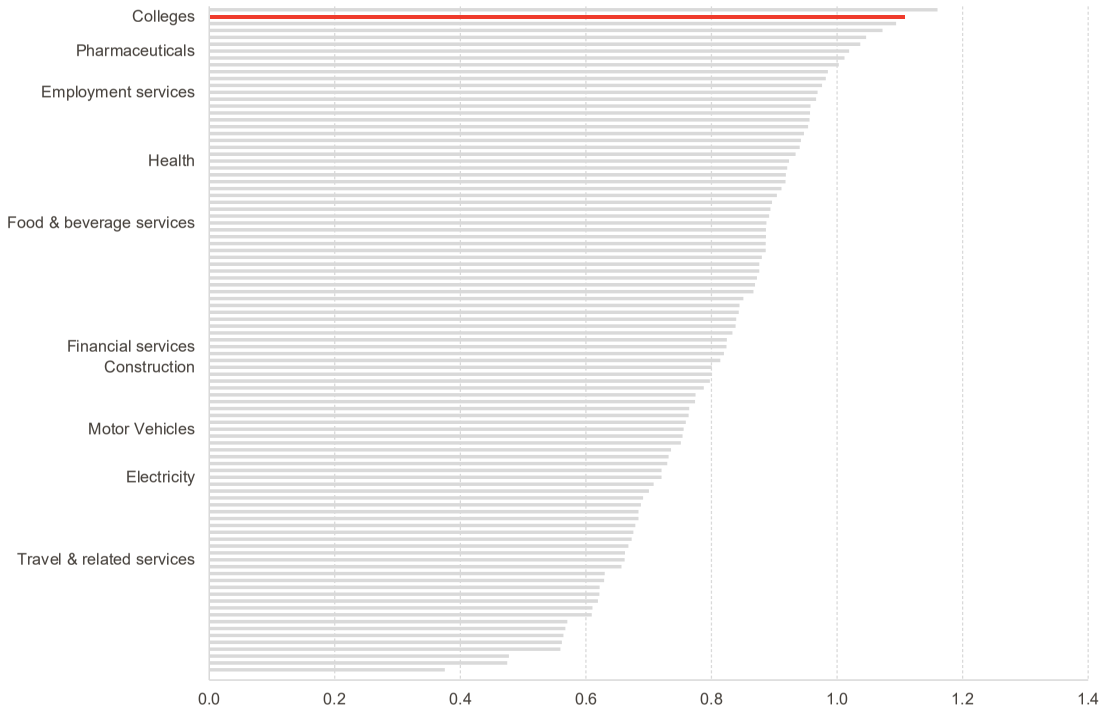
When compared to the other sectors of the economy, colleges are at the forefront of the economic activity they generate.

Chart 12 shows the GVA-output multiplier for colleges when compared to the 97 sectors of the Scottish economy[7]. This multiplier highlights the economic activity generated per £1m of spend by colleges.

Colleges rank 2nd with the same multiplier as the education sector, falling only behind the Security and Investigations sector.

This suggests that as an industry, colleges support significant amounts of value added within the economy, and hence generate substantial economic activity, both regionally where they are located, and nationally within the economy as a whole.

Chart 12: Comparison of Type II GVA-output multipliers across 97 sectors of the Scottish economy & college spend. Selected sectors labelled.



Source: *Scottish Funding Council*

7 The 'Households as employers' sector has been excluded as it is not a conventional industry.

CASE STUDY

Supporting regional economic growth through the development of the aerospace workforce, Ayrshire College

Ayrshire College's Engineering Centre provides a range of courses and bespoke training for those seeking to gain employment, change industry or advance their careers. The centre is known for its authority to carry out Civil Aviation exams, as well as providing specialist apprenticeship training to support the aerospace industry. These longstanding links with the industry were recognised when the College became a platinum partner of the Royal Airforce. In the future, the centre aims to build on these links by becoming a national composites centre for Scotland.

The above highlights the importance of Ayrshire College to the region's economic development. Aerospace engineering is an industry that is anticipated to grow in the years ahead and a crucial part of ensuring the region realises its economic potential lies in ensuring that this industry has the highly skilled workforce required to support that anticipated growth. Currently, this presents a challenge. As explained by Alastair Heron, Ayrshire College's Project Head of Aerospace, around 30% of the current engineering workforce is expected to retire in the next 10 years. At the same time, there are expected to be between 500 and 1300 new vacancies next year at Prestwick airspace cluster – a set of manufacturing, maintenance, repair, and overhaul companies at Prestwick airport. Other notable local companies are also growing. In the years ahead, Excel cables and satellite manufacturer, Mangata, for example, are planning to create 900 and 570 jobs respectively. While welcome, these developments raise the prospects of future skill shortages. Ayrshire College is therefore accelerating its efforts to meet this future skills demand by working on a more targeted approach to training and upskilling people locally and to supporting jobseekers in the Ayrshire area.

To do this, the college maintains a continuous dialogue with a range of employers and local companies and has developed a more strategic needs-discovery-based collaboration with industry partners. In practice, this approach means the college is in discussion with industry partners on the development and delivery of potential bespoke courses to supplement the College's mainstream offer. For example, the College also regularly holds meetings with Prestwick Airspace Operations Group (PAOG) aimed at servicing the Prestwick airspace hub – an important economic player on a national level.

Coupled with this approach, Ayrshire College also looks to address potential barriers to local people entering the industry by, for example, providing better information on job opportunities, delivering more specialised high-quality training, and offering more flexibility on the format and timing of classes. Alastair Heron suggests that the key to this employer engagement approach is communication around what the qualification needs of the industry are and the number of people likely to be required by the industry in the future. To illustrate this point, he gives the example of a partnership with Ryanair whereby three cohorts of learners trained in the evening, outside the normal college schedule.

Through this approach, Ayrshire College is acting as a key economic facilitator at a regional level, playing an active role in ensuring skills supply and skills demand are aligned in a way that both supports the economic development of the region and provides opportunity for people locally to pursue or develop their career in a growing industry.

Supporting Scotland's growth sectors

As well as the economic activity and growth colleges already supported, there are also opportunities for colleges to further support the Scottish Government in achieving its aims within the economic strategy.

In particular, as discussed in Section 3, the ability of college learners to develop skills and become better equipped for the labour market, can help the government address skills gaps and boost sectors where Scotland has a comparative advantage.

As part of its 2015 Economic Strategy, the Scottish Government identified six key growth sectors where Scotland holds a competitive advantage.

The strategy highlighted that if Scotland were to build on this existing strength in these sectors and harness their potential, then this could lead to increased productivity and economic growth.

These sectors include:

- Food and Drink
- Creative Industries (including digital)
- Sustainable tourism
- Energy (including renewables)
- Financial and Business Services
- Life Sciences

Colleges, given the variety of courses that they provide, are well suited to support the government in its ambition to harness the potential in these sectors.

In this section, we highlight the growth sectors in which colleges have a significant role to play in supporting the Scottish government to increase growth through its further and higher education offerings.

Food and Drink

The food and drink industry was identified given Scotland's strengths in agriculture, fishing and aquaculture, as well as the strong food and drinks manufacturing sector with goods such as whisky and fish exported globally from Scotland.

Sectors such as the manufacturing of food and beverage products, contain professions that colleges are already equipped to train people for.

The sector is a £15 billion industry in Scotland, employing over 120,00 people. Given this, the Scottish Government recently published an industry-led strategy for the food and drink industry in Scotland.

The strategy which aims to support a 25% increase in turnover for the sector by 2028, highlights restoring promotional activity to pre-pandemic levels, and recruiting and retaining a highly skilled workforce to adapt and tackle skill shortages in the sector.

Given the offerings of colleges in food and drink-related subjects, the opportunity for further and higher education to be a vehicle for highly skilled, enthusiastic individuals to support growth in the food and drink sector is high.

This is evident in Table 12, which highlights not only the breadth of related subjects available for study in Scotland's colleges, but also the identified growth sectors.

Between 2018/19 and 2021/22, there were over 21,000 completed qualifications in food and drink-related courses in Scotland's colleges, highlighting the high number of individuals entering the labour market trained with the appropriate skills to work in this sector.

In particular, the ability of colleges to boost skills whilst providing opportunities to gain the relevant experience before entering the labour market is invaluable.

This is evident in initiatives such as The Academy, based at the Kirkcaldy campus of Fife college. The restaurant provides dining experiences to the general public and is staffed by students as part of their coursework, meaning students can gain real-world experience of working within a hospitality setting.

Table 12: Growth sector and college course offering comparison in food and drink-related industries

Growth Sectors	College courses
Crop and Animal production, Hunting and related service activities	Baking/Dairy/Food and Drink processing
Fishing and Aquaculture	Cookery
Manufacture of Food products	Hospitality operations
Manufacture of beverages	Hospitality/catering
	Catering services
	Home Economics
	Food Sciences/Technology
	Food and Drink services

Source: *Scottish Funding Council, Scottish Government*

This is even more pivotal as the country looks to shift away from the reliance on oil and gas-related sectors in the face of its net-zero ambitions.

This shift means that the expectation for already strong sectors, like food and drink, will be to utilise its competitive advantage and help to support higher economic growth and employment across the economy.

Colleges, therefore, are already well primed to support both the government and sector in boosting economic activity, helping to train people with the appropriate skills and experience for a career in the food and drink industry.

Sustainable Tourism

This holds in tourism-related offerings too. Scotland has a thriving tourism sector, with its stunning scenery, historic landmarks, and thriving hospitality venues pitching Scotland as one of the most desirable locations to visit globally.

The sector in Scotland currently supports 200,000 jobs, generating over £4 billion in gross value added.

However in recent years, the sector has struggled, particularly over the pandemic, and the ongoing staff shortages seen across the industry.

Colleges already offer a plethora of courses such as Tourism and Travel and hospitality-based courses, helping to provide the essential skills for these individuals to support employment in tourism-related sectors.

Scotland is also currently working towards its Outlook for 2030 strategy, which sets the nations ambition to be the world leader in 21st century tourism.

Despite being set in March 2020, with the world plunged into the Covid-19 pandemic, the strategy was re-launched in November 2022, with input from most industry players as a means to place Scotland as a top tourist destination as we emerged from the pandemic.

As part of the strategy, a number of opportunities for Scotland were identified. Whilst most identified inward investment to Scotland and the means to make the country more attractive, two of the key opportunities were job creation in the sector and making the sector a career of choice.

In our recent article on the future of hospitality in Scotland, the institute found that despite 1 in 14 jobs in Scotland being in the food and accommodation sector, average pay was significantly lower than the Scottish average, with occupations in these sectors seen as less prosperous.

In order for long-term sustainability of these sectors, tourism-facing sectors must be seen as a lucrative career, with an attitude shift required, to see these industries as a long-term career path.

The need for this shift is evident in the 'Rise Fast, Work Young' campaign launched by over 300 businesses and successful hospitality leaders in 2022.

The strategy aims to tackle the significant shortages across the sector by highlighting the opportunities that come with a career in hospitality and attracting a new generation of workers.

Colleges therefore have a pivotal role in not only training future workers in these sectors with the appropriate skills and experience, but also keeping people in these jobs long term and ensuring the sustainability of the tourism sector.

However, they can also help to highlight the long-term positive careers that can be achieved in these industries, driving more individuals into tourism-related occupations and boosting growth in the sector.

Creative Industries

Perhaps some of the most impacted sectors in recent years are those related to creativity. The Covid-19 pandemic had a significant impact on the industry, particularly the arts, theatre and film and TV, as the shutdown of leisure venues, studios and film sets, ground the sector to a near standstill.

In recent years, the sector has been a key player within the Scottish economy, with over 15,000 firms employing more than 70,000 people, as well as a high number of free-lance workers and students also operating within the sector.

The Scottish Government have committed their support to the sector in recent years with the creation of Creative Scotland, the national public body for arts, screen and creative industries, as well as funding projects for film and TV production in Scotland.

One of Scotland's colleges' greatest offerings is the extensive range of courses covering a number of different art forms and creative courses.

Table 13 highlights the sectors defined under the government's growth sector definition for the creative industries, with a list of creative subjects offered currently by Scotland's colleges.

However, creative-related industries are unique, meaning whilst training and experience are essential, the ability to showcase talents or demonstrate your art is essential.

Colleges across Scotland do well to provide this platform, including:

- The provision of The Performing Arts Studio Scotland Theatre, The Music Box and CRE:8, all based at Edinburgh College, provides state-of-the-art facilities for students to use. These create an environment to encourage creativity and allow for talent to flourish[8].
- The delivery of Scotland's only Physical Theatre qualification provided at Fife College. Also the provision of Studio 38 Youth Theatre and Young Professionals, a group designed to offer fun and creative classes to help build confidence and develop new skills for young people pursuing creative professions[9].
- The delivery of a 2-year HND in Musical Theatre and Acting & Performance at North East Scotland College, the only performing art college in the North East of Scotland. The course offers the individuals to participate in weekly singing and choreography classes, and exposure to professionals who have performed in the West End, Broadway and mainstream media[10].

Table 13: Growth sector and college course offering comparison in creative-related industries

Growth Sectors	College courses
Advertising	Journalism
Architecture	Writing (authorship)
Visual Art	Musical Instrument Making/Repair
Crafts and Antiques	Music Technology/Production
Fashion and Textiles	Music Studies
Design	Communication/Media
Performing Arts	Arts and Crafts: Leisure/Combined
Music	Glass/Ceramics/Stone Crafts
Photography	Art Techniques/Practical Art
Film and Video	Music Performance/Playing
Computer Games	Art Studies
Radio and TV	Design (non-industrial)
Writing and Publishing	Moving Image/Photography/Media Production
Libraries and Archives	Print and Publishing
Software/Electronic Publishing	Fashion/Textiles/Clothing (craft)
Cultural Education	Decorative Metal Crafts/Jewellery
	Performing Arts
	Communication Skills
	Dance
	Theatre Production
	Theatre and Dramatic Arts
	Decorative Crafts
	Wood Cane and Furniture Crafts

Source: *Scottish Government, Scottish Funding Council*

8 See Edinburgh College
9 See Fife College
10 See North East College

Energy

Green skills will be at the heart of the Scottish Government's plan to reach net zero by 2045.

Colleges in Scotland are well placed to scale up the provision of these skills in areas that are critical to meeting the governments targets.

As part of this, the need to transition to more renewable forms of energy, and away from the use of fossil fuels in a bid to reduce emissions has become a priority for government.

However, at present, oil and gas-related industries support over 195,000 jobs in Scotland, with many of these occupations at risk of being left obsolete once the economy has fully transitioned to more renewable sources of energy.

This has posed substantial concerns for both these industries and the individuals working in them, with the need to upskill and retrain now a priority to ensure these individuals aren't left behind in the transition.

The role of colleges in aiding the Scottish and UK governments in this transition is crucial.

Mainly through their role in equipping individuals with the essential skills in the energy sector, whether that be through the provision of modern apprenticeship schemes, helping young learners develop the appropriate on-the-job skills whilst achieving qualifications, or via their specific courses such as oil and gas operations, offshore engineering and power/energy engineering.

However, it is not just their ability to service existing skills demand, but also the potential for colleges to implement the relevant skills and experience for individuals to pursue future 'green' jobs, in both their existing courses, but also the development of new courses.

One of the most cited issues with servicing these green jobs is the ability to define what these jobs actually are.

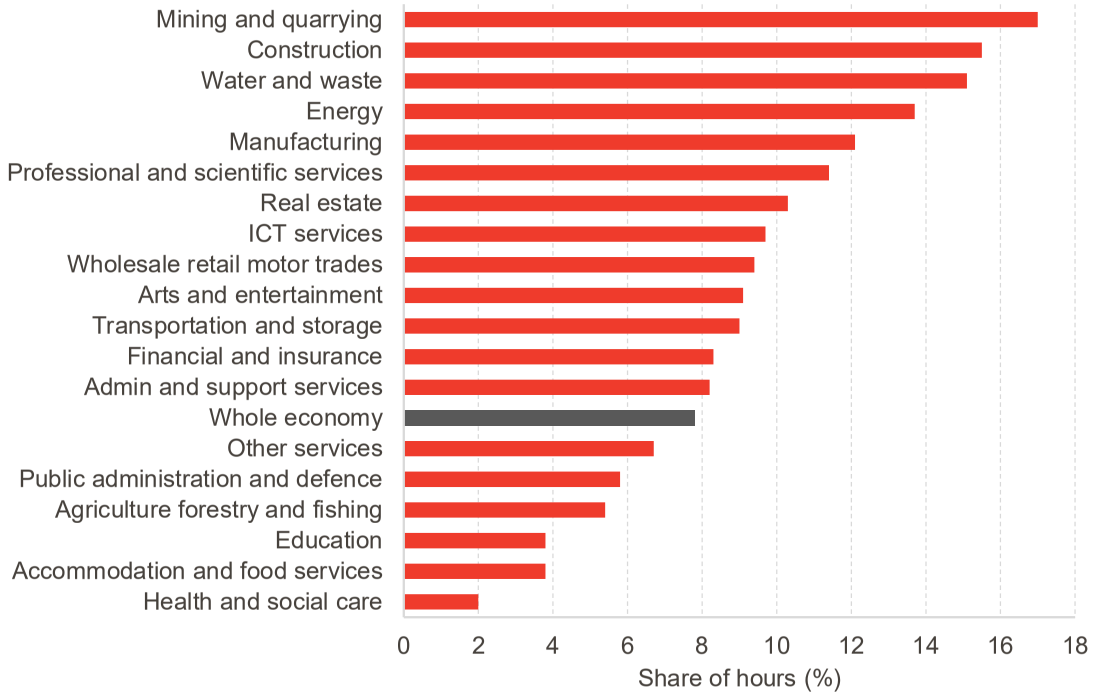
The Office for National Statistics has done extensive work to begin to capture jobs classified as green and understand what tasks within all roles are related to green initiatives.

Chart 13 highlights the share of hours worked that are spent on green tasks by industry for the UK as a whole in 2019.

These results highlight that occupations in Mining and Quarrying, Construction and Water and Waste have the highest proportion of hours worked, spent on green tasks.

However, this also shows that even in industries such as Health and Social Care, and Arts and Entertainment, there are still some parts of the occupations within them that require consideration for green-related tasks.

Chart 13: Proportion of hours worked spent on green tasks, by industry, UK, 2019



Source: *ONS*

When considering Chart 14, which highlights the share of completed qualifications by subject area, it is clear that some of the most commonly completed courses at colleges are in subject areas where occupations tend to have a higher share of hours spent on green tasks.

This is particularly evident for subjects such as engineering and construction, with around 1 in 10 individuals successfully completing courses in either of these subjects.

As well as this, despite occupations in sectors such as health and social care having a lower share of hours spent on green tasks, these are some of the most commonly completed courses at colleges.

Therefore, as the transition to net-zero continues, and the prevalence of green tasks increases, colleges are well primed to continually grow the 'green skills' base across all sectors.

Furthermore, in recent years colleges have recognised the emergence of specialised related occupations in the energy sector and have done substantial work to cater to the ever-changing needs of the industry.

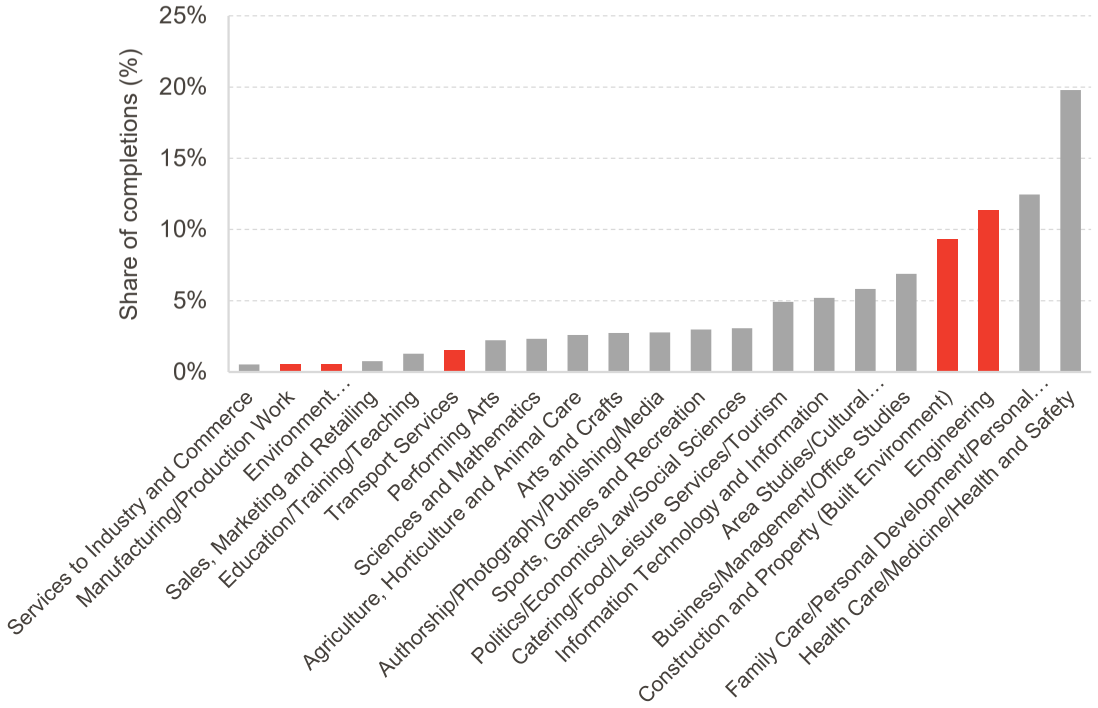
This is particularly evident in the offering of courses in more specialised areas such as environmental protection and conservation, environmental health and safety, and pollution control.

As well as this, the creation of The Renewables and Energy Efficiency Training Centre based at Edinburgh College is another example of how colleges are continually adapting the provision of green skills in Scotland.

The centre aims to provide students, apprentices and industry professionals with the relevant skills and experience required to build low energy homes and help to modify existing homes to be more energy efficient. This includes equipping students with skills to use ground source heat pumps, solar thermal systems and rain/grey water harvesting, among others, to ensure these individuals are provided the essential green skills to energy sector in its transition to net-zero.

This shows that colleges not only help to skill up more obvious industries servicing the energy sector such as construction and engineering, but are also helping to widen the underlying skills base to ensure all sectors are developing green skills in Scotland.

Chart 14: Share of completed successful college qualifications, 2018-19 - 2021/22, Scotland



Source: *Scottish Funding Council*

All of this means that as the Government's goals loom nearer, the role colleges have to play becomes more fundamental, with the need for them to understand the changing nature of skills and how the courses they offer can be tailored to equip the appropriate skills.

This was recognised as part of Scottish colleges' commitment to the climate emergency in the wake of COP26. The statement recognises what colleges have to offer in tackling the climate crisis, identifying 10 key actions.

These include deploying expertise and experience, and working with industries, public sector bodies and employers to improve working practices to make the planet safer.

Therefore, the role that both further and higher education has to play is fundamental to ensure that the government are supported in their net zero ambitions. In particular, it ensures that the skills and training offerings of colleges are continually developed to suit the ever-changing demand on the energy sector.

However, the government must also recognise this, allowing colleges to be part of the discussion on net-zero to ensure the transition is successful and most importantly, ensure that no individual is left behind and can develop the skills to integrate into the energy industry in Scotland.

Fostering innovation and supporting entrepreneurship

One of the key pillars of Scotland's strategy for economic transformation is to establish Scotland as a world-class entrepreneurial destination that seeks to encourage and support entrepreneurial activity in every sector of the economy.

Colleges play a significant role in fostering entrepreneurship in Scotland, given their ability to encourage innovation, teach and develop skills, and overall improve the human capital stock of college graduates.

As part of this aim to foster entrepreneurship, the government's first objective is to embed first-rate entrepreneurial learning across the education and skills systems.

The strategy aims to deliver this aim in the following ways:

- Promote the best available project-based entrepreneurial learning across the school and post-16 education curricula.
- Embed entrepreneurship in the Young Person's Guarantee to cultivate the business leaders of tomorrow.
- Adapt and review Scotland's apprenticeship system so that it is available for start-ups and early scale-ups to use.
- Develop an entrepreneurial campus infrastructure, working with the college and university sector to establish campuses as hotbeds of start-up creation.
- Develop innovative, industry-led pathways to redirect the best entrepreneurial talent into building new companies.

As well as this, the Scottish Government also recently published its National Innovation Strategy, setting out its vision to make Scotland one of the most innovative small nations over the next decade.

The strategy, which aims to build successful innovation clusters, boost investment in innovation and entrepreneurship, and raise productivity through innovative practices recognises the importance that both colleges and universities have to play in improving innovation in Scotland.

The role of colleges, in particular, their higher education offerings, was also recently recognised as a key driving force in creating entrepreneurial campuses across Scotland.

The Blueprint Report, conducted by Ross Tuffee and Professor Joe Little, sets out several actions required by higher education institutions over the next 10 years to help the government strengthen its entrepreneurial aims within the economic strategy.

These include inspiring young people to engage in entrepreneurial activity, establishing policies that support the development of an entrepreneurial mindset in students, and developing support networks for college and university spinouts for staff and students.

Further to this, when the Scottish Government set out its previous innovation and entrepreneurship strategy, Scotland: CAN DO, in 2013, The Scottish Funding Council also set out its ambition for the further and higher education sector to support this.

Over the past 10 years, this has involved setting up funded Innovation Centres across Scotland's universities and, the creation of the Converge Challenge, a programme for students, graduates and staff across Scottish Higher Education providers to accelerate their ideas into businesses.

CASE STUDY

Cross-college collaboration for more effective servicing of industry qualification needs in Scotland, UHI Inverness

Increasing demand for planning and development specialists, coupled with a large proportion of the existing workforce coming towards retirement age, has led a number of local authorities, especially in remote areas of Scotland, to consider ways to tackle the challenge of employing sufficient specialists with new building standards training. Against this backdrop, the Energy Skills Partnerships (ESP) approached UHI Inverness about the possibility of designing and delivering a new flexible qualification that would help to mitigate future skills shortages in the industry while also addressing the existing challenge of individual colleges in Scotland sometimes struggling to recruit a viable cohort in this subject area.

To do this, UHI Inverness partnered with Fife College to design and pilot the required training programme without creating an entirely new apprenticeship. The former already has a successful partnership with ESP, while the latter has longstanding experience in providing building construction apprenticeships in their locality. This unique collaboration was supported by Local Authority Building Standards Scotland (LABSS) and the pilot of the programme is currently in its first year of delivering training for a cohort of apprentices. The partnership sees Fife College deliver the HNC element online over two years while UHI Inverness supports the SQA assessment element, including the processes and reviews required by Skills Development Scotland.

The collaboration with LABSS ensures that there is industry support for the programme, with LABBS providing input on the development of the content, guest lecturers, and mentoring for students. Carrie Higgins, Tertiary Education Leader at UHI Inverness, suggests that, although they need to wait for the first cohort to finish the programme before assessing KPIs, early indications in terms of retention rate and feedback from apprentices and employers, as well as recruitment for the second cohort, point to the fact that the programme is delivering on its objectives.

The programme has also served as an effective case study of how targeted ESP-college partnership and cross-college collaboration can be effective both in directly addressing local economic needs and, at the same time, supporting colleges in preserving programmes that might otherwise be facing closure due to low student numbers. This has inspired plans to look at opportunities for future collaboration using this model. For example, UHI Inverness, UHI Argyle, UHI West Highland and Fife College have come together in response to a similar request from the Civil Engineering Contractors Association (CECA) for ESP support in addressing skills gaps in the civil engineering workforce in Scotland. In response, the four colleges have joined forces in designing a 6-month CECA Scotland Academy qualification. The division of workload in material development meant that colleges that had never delivered the programme before were able to use the expertise of colleges that have, including the opportunities to upskill their staff through the sharing of resources and best practices.

It is quite a breath of fresh air, and there has also been impact beyond the creation of these apprenticeships and opportunities. It has also kick-started a culture where college managers across Scotland are more open to work together, to share resources, which, to be honest, is the only way the colleges will be able to move forward. ~
Carrie Higgins

In recent years, many reports have highlighted the disparity in investment for innovation between colleges and universities, particularly those home to innovation centres.

This was first highlighted in the Independent Review of Innovation Centres conducted by Professor Graeme Reid in 2016, and was again discussed in The Cumberford-Little report commissioned in 2020 by The Scottish Government.

In summary, these reports find that current investment in innovation is primarily funnelled into universities, and there is much less acknowledgement of the potential role that colleges could have as centres of innovation.

Colleges already help to foster innovation in a number of ways, including the support they provide to local businesses to innovate and improve their productivity, but are also enthusiastic to contribute more.

One way they do this is through the provision of Innovation vouchers which provide funding and support to help with the creation of relationships between small and medium enterprises, and colleges in Scotland.

These vouchers are often either specific to a product or process, helping individuals to develop their ideas into goods and services, or are provided to help firms develop their workplace processes and practices.

The Interface programme has helped to significantly boost the innovative capacity of Scotland's colleges over the past few decades.

The nationwide programme, which works with firms to match them to the academic expertise available within Scotland's further and higher education, provides funding and support to help build a relationship and foster new and innovative practises.

A great example of the success of this programme was the matching of James Frew Ltd, a large building services company in Scotland, with West College Scotland supported by an SFC innovation voucher[11].

This partnership utilised the expertise of West College Scotland to help James Frew Ltd design a new planning process for training staff, which involved the monitoring of certification renewals, the development of individual training plans, and the measurement of the impact of this training.

The consensus therefore is that in order to utilise the untapped potential of colleges as drivers of innovation, it requires a change in perception.

This change should see that in order to boost innovation and help create new and innovation products and processes, it will require an improved diffusion of skills and knowledge between business and education providers.

Colleges are therefore pivotal in helping to boost the diffusion of these skills and knowledge, through the partnerships already forged, but also through a better provision of support and funding to allow firms to benefit from the expertise and skills contained in colleges across Scotland.

11 See Interface

Next generation of entrepreneurs

As well as boosting investment in innovation and entrepreneurship, colleges also play a significant role in providing the necessary skills and experience to prime the next generation of entrepreneurs.

Table 14 highlights that there are several entrepreneurial and business-related subjects on offer at Scotland's colleges, with high levels of completion by students.

In particular, these subjects include courses in business-related subjects such as enterprises and financial management, but also more specific business courses such as E-commerce and marketing courses.

The ability for colleges to provide the essential learning and skills for future entrepreneurs, whilst also providing the appropriate funding to allow individuals to pursue their ideas, means they are well primed to support the Scottish Government in strengthening Scotland as an entrepreneurial nation.

Table 14: Number of completions by business and entrepreneurial subject, 2021/22

Subject Area	Course	Number completed successfully
Business/Management/Office Studies	Administration/Office Skills	2,050
	Business (general)	8,505
	Enterprises	205
	Financial Management/Accounting	2,335
	Financial Services	590
	Human Resources Management	1,180
	Management (general)	4,765
	Management Planning and Control Systems	290
	Management Skills (specific)	3,235
	Public Administration	615
	Typing/Shorthand/Secretarial Skills	120
Sales, Marketing and Retailing	E-commerce	25
	Marketing/Public Relations	625
	Retailing/Wholesaling/Distributive Trades	125
	Retailing: Specific Types	25
	Sales Work	20

Source: *Scottish Funding Council*

CASE STUDY

Supporting Business through Innovation and Knowledge Exchange, City of Glasgow College

Since 2017, City of Glasgow College (CGC) played host to the Institute of Innovation and Knowledge Exchange (IKE) – the UK's only professional body for innovators. The institute was set up to formalise the College's approach to innovation support and acts as an institutional link between the College, industry, and the business community, as well as being a key driver of the College's engagement with national economic priorities, opportunities and challenges.

The institute's activity at CGC started with the launch of a suite of professional development programmes featuring certification and accreditation that are offered to businesses and organisations looking to benchmark their innovation performance and capabilities. One of these, the Investor in Innovation certification, looks at an organisation's innovation strategy, culture, skills and capabilities, as well as how well the operating environment and user base are understood, and how innovation within the institution is measured. Following this programme, the IKE supports these private and public sector organisations with the internal development and improvement of their innovation skills and capacities.

As well as supporting local businesses in this way, IKE also allows the College to develop its own innovation activity and enhance its own innovation performance. As explained by Stuart McDowall, the Head of Innovation in STEM and the Institute's Manager:

Innovation, enterprise, and start-up support usually align more with universities rather than colleges. Therefore, the Scottish Innovation and Knowledge Exchange allows the City of Glasgow College access to wider support for things like innovation vouchers and external funds that then can help support the SME community, build new products, new services, new business models.

Although he admits that the scale is unparalleled to universities, through IKE, the City of Glasgow College makes their expertise and curriculum available to businesses and individuals who need academic support for the development of new products and services.

IKE now has several successful examples of this approach in practice. One former engineering student at CGC for example, came to IKE with a request for assistance relating to a mobile device set to monitor water quality, subsequently known as the Aquabot. The IKE team has worked with this new business and initially secured an innovation voucher through the Scottish Funding Council and Interface to help develop the first prototype. The project was recently taken to its next stage which involves building-in sensors for real-time data capture. This was done by approaching sensor technology innovation centre Censis and securing additional funds for the prototype, highlighting IKE's capabilities in supporting small businesses to tap into funding and expertise to drive forward innovative new products.

IKE also supports applied research. In 2019, CGC conducted a research project, with support from IKE, on oxygen depletion in enclosed spaces – a common issue on board ships. The project was funded through the Maritime Education Foundation and conducted by the College's Nautical and STEM faculty who ran a series of experiments culminating in a research paper that won the Research Project of the Year at the Herald Higher Education Awards in 2021.

These examples demonstrate the impact that IKE has had since its inception and hint at the potential for its expansion, through supporting more businesses and organisations to tap into expertise and funding to drive their ideas and innovations. This, coupled with the Institute's focus on applied research, is key to IKE's approach to addressing industry problems and identifying solutions, including closing skills gaps through workforce training and supporting innovation by acting as a hub for the development of new ideas. The College is now looking to expand its work in this area and is currently considering the development of an innovation centre at its Riverside campus. This would create more space for experimentation, the incubation of businesses, and pedagogical innovation development for curriculum teams – all of which CGC considers critical to expand its support for local businesses within Glasgow and beyond.

Conclusions

Colleges are a significant contributor to the Scottish economy, both in the highly skilled graduate cohorts they provide to the labour market and the economic growth their activity generates.

In this report, we modelled the economic contribution of a single and multi-year graduation cohort to Scotland's economy.

Our modelling finds that a single year of college graduates helps to boost labour productivity by 0.31%, making the Scottish economy cumulatively better off by £8bn in the long run when compared to an economy without the contribution of these graduates.

This uplift in productivity also boosts employment by 31,000 FTE jobs, and increases investment, real wages and exports across Scotland.

This makes government revenues £2.8bn better off in the long-run as a result of the productivity uplift. Given that in 2021/22, the Scottish Government via the Scottish Funding Council provided £740m in funding, we estimate that this accounts for 26% of the total uplift in government revenue and 9% of the uplift in GDP.

When considering multiple years of graduate cohorts we find that the uplift in labour productivity is 2%, which makes the economy £52bn better off than if this productivity uplift had not occurred.

This boost in productivity from these graduates also helps to support 203,000 additional FTE jobs.

Overall we find that the direct uplift in productivity from several years of college graduate cohorts helps to boost government revenues by £18.2bn in the long run.

Therefore, given that over the same period the Scottish Government via the Scottish Funding Council funded around £4.1bn, we estimate that the 'cost' to the government of supporting these graduates accounts for 22.5% of the total uplift in revenue and 8% of the uplift in GDP.

As well as this, we find that the money colleges spend helps to support additional Gross Value Added and employment across the economy.

College spending can be seen to support an additional £225 million in GVA across the Scottish economy, and on top of the 10,700 FTE jobs already supported within colleges, supports an additional 4,400 FTE Scottish jobs across the economy.

They also make a significant contribution to the wider sectors of the Scottish economy, particularly in terms of employment, with the 14th highest employment-output multiplier, and 2nd highest GVA-output multiplier, when compared to the other 97 sectors of the Scottish economy.

These results demonstrate the substantial economic contribution that colleges make in all sectors of the economy and highlight the crucial role colleges have to play in helping The Scottish Government meet the aims of their National Strategy for Economic Transformation.

This includes the continual provision of highly skilled and experienced individuals to boost the overall skills of the Scottish workforce, but also through their widening access goals to make education more accessible to under-represented groups in society and breaking down barriers to education.

Colleges are therefore fundamental to the prosperity of the Scottish economy on top of their role to ensure that every individual in Scotland has access to education and can achieve the qualifications that will allow them to lead prosperous lives.

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Board of Management Committee Structure
AY 2023-24

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[3] Elected Member, Curriculum Staff
[4] Elected Member, Service Staff
[5] Principal/CEO – Ex-officio Board Member
[6] Co-optee Committee Member

Fiona McQueen
Chair

Steven Wallace
Vice Chair

Mike Stewart
Senior Independent Member

Chairs Group

Audit and Risk Committee

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[1]Sharon Morrow (Vice Chair)

[1]Alison Sutherland
[1]Matthew Wilson
[1]Vacant

Business, Resources & Infrastructure Committee

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[1]Gordon Neil

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[2]Tim Chan

[3]Janette Moore
[4]Lisa Keggans

[5]Angela Cox

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[1]Vacant
[1]Gillian Murray
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[1]Steven Wallace

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[1]Mike Stewart
[1]Alison Sutherland

Search and Nomination Committee

[1]Fiona McQueen (Chair)

[1]Mike Stewart
[1]Steven Wallace
[1]Alison Sutherland
+
External Member (x1)

Board members not currently serving a specific committee

1 Faroque Hussain

Our Values: Respectful | Supportive | Open and Honest

All Board and Committee work programs 2023/24: record of recommended changes/amendments

Learning, Teaching and Quality Committee

	28 Sept 2023	16 November 2023	07 March 2024	23 May 2024
Reports to this meeting	**Additional reports:** ~~2021-22 College Sector KPI Benchmarking Report~~ 2022-23 Self Evaluation Report 2023-24 Draft Outcome Agreement **Replacement:** 2022-23 Education Scotland Annual Engagement Report **replaces the** ~~Education Scotland Safeguarding Report~~	**Removal of** ~~2023-24 Draft National Outcome and Impact Framework*~~ **Additional reports:** 2021-22 SFC College Leaver Destination Survey College Sector Benchmarking Report 2022-23 SFC Student Satisfaction and Engagement College Sector Benchmarking Report	**Removal of** ~~2023-24 Draft National Outcome and Impact Framework*~~	**Removal of** ~~2023-24 Final National Outcome and Impact Framework*~~
Standing item reports to each meeting	**Removed:** ~~2023-24 Evaluative Report and Enhancement Plan - Progress Report**~~	**Removed:** ~~2023-24 Evaluative Report and Enhancement Plan - Progress Report**~~	**Removed:** ~~2023-24 Evaluative Report and Enhancement Plan - Progress Report**~~	**Removed:** ~~2023-24 Evaluative Report and Enhancement Plan - Progress Report**~~

BRIC

	03 October 2022	21 November 2023	12 March 2024	28 May 2024
Reports to this meeting				
Standing item reports to each meeting				

Audit and Risk Committee

	10 October 2023	28 November 2023	19 March 2024	04 June 2024
Reports to this meeting	2022-23 Internal Audit Annual Report **(instead of Nov meeting)**	2022-23 External Audit Progress Report **(instead of Oct meeting)**		
Standing item reports to each meeting				

Board meeting

	31 October 2023	14 December 2023	28 March 2024	13 June 2024
Reports to this meeting	**Additional reports:** 2022-23 Self-Evaluation Report 2023-24 Outcome Agreement 2022-23 Education Scotland Annual Engagement Visit Report		**Replacement:** *2023-24 ~~Draft National Outcome and Impact Framework~~ Final Outcome Agreement	**Removed:** ~~*2023-24 Final National Outcome and Impact Framework~~
Standing item reports to each meeting	**Additional reports:** Q1 Performance Dashboard	**Additional reports:** Q2 Performance Dashboard	**Additional reports:** Q3 Performance Dashboard	**Additional reports:** Q4 Performance Dashboard

Learning and Teaching Committee Work Plan 2023-24

September 2023	November 2023	March 2024	June 2024
Reports to this meeting			
2023-24 Terms of Reference & Work Plan	2024-25 Draft Curriculum Delivery Plan	2022-23 College Sector KPIs	
~~2021-22 College Sector KPI Benchmarking Report~~ 2022-23 Self Evaluation Report 2023-24 Draft Outcome Agreement	2022-23 Interim Ayrshire College Performance Indicator Report ~~2023-24 Draft National Outcome and Impact Framework*~~	~~2023-24 Draft National Outcome and Impact Framework*~~	~~2023-24 Final National Outcome and Impact Framework*~~
~~Education Scotland Safeguarding Report~~ 2022-23 Education Scotland Annual Engagement Report	2021-22 SFC College Leaver Destination Survey College Sector Benchmarking Report	2023-24 Semester 1 Student Satisfaction Survey outcome	2023-24 SFC Student Satisfaction and Engagement Survey
2023-24 Student Recruitment Report	2022-23 SFC Student Satisfaction and Engagement College Sector Benchmarking Report		
2022-23 External Verification Report			
Reports to each meeting			
Student Association Report Q1	Student Association Report Q2	Student Association Report Q3	Student Association Report Q4
~~2023-24 Evaluative Report and Enhancement Plan - Progress Report**~~	~~2023-24 Evaluative Report and Enhancement Plan - Progress Report**~~	~~2023-24 Evaluative Report and Enhancement Plan - Progress Report**~~	~~2023-24 Evaluative Report and Enhancement Plan - Progress Report**~~
2022-23 Final Credit Position Report at August 2022	2023-24 Credit Activity Target Progress Report ~~& Early Withdrawals Position~~	2023-24 Credit Activity Target & Early Withdrawals Position	2023-24 Credit Activity Target Progress Report
2022-23 Student Support Funds: Final Position at July 2022	2023-24 Student Support Funds position update	2023-24 Student Support Funds position update	2023-24 Student Support Funds position update
2023-24 Apprenticeships and Work Based Learning Report	2023-24 Apprenticeships and Work Based Learning Report	2023-24 Apprenticeships and Work Based Learning Report	2023-24 Apprenticeships and Work Based Learning Report
2023-24 Corporate Risk Register (V1): LTC Extract	2023-24 Corporate Risk Register (V2): LTC Extract	2023-24 Corporate Risk Register (V3): LTC Extract	2023-24 Corporate Risk Register (V4): LTC Extract

~~*Dependent on SFC Guidance and reporting timelines.~~
~~**Dependent on Education Scotland Guidance. Content covered in various documents~~

Business, Resources, and Infrastructure Committee Work Plan 2023-24

September	November	March	June
Reports to this meeting			
2023-24 Terms of Reference & Work Plan	Statutory Accounts to July 2023 (Before Audit Finalisation)	2023-24 SFC Indicative Funding: Revenue & Capital	2023-24 Budgets for Academic Year ending 31 July 2024
SFC 5 Year Financial Forecast Return (FFR)	2022-23 Annual Procurement Report	2023-24 First Draft SFC Funded Capital & Revenue Expenditure Programme	2023-24 SFC Funded Capital & Revenue Expenditure Programme
2022-23 Student Support Funds Final Position at July 2023		2023-24 Student Support Funds Position Update	FY 2023-24 SFC Resource Returns
			2023-24 Student Resource Funds Allocation
		2023-24 SFC Funded Capital Expenditure Position	2023-24 SFC Funded Capital Final Expenditure Position
	ICT - 6-month Report		ICT, Annual Report
2022-23 Business Growth – Annual Review	Health, Safety and Wellbeing Annual Report	Business Growth, 6-month Report	Digital Strategy, Annual Report
	Freedom of Information Annual Report	Mainstreaming Equality and Diversity - Annual Report	
Reports to each meeting			
2023-24 Management Accounts	2023-24 Management Accounts	2023-24 Management Accounts	2023-24 Management Accounts
HR & Staff Learning and Development report	HR & Staff Learning and Development report	HR & Staff Learning and Development report	HR & Staff Learning and Development report
Health, Safety and Wellbeing & Equality Inclusion report	Health, Safety and Wellbeing & Equality Inclusion report	Health, Safety and Wellbeing & Equality Inclusion report	Health, Safety and Wellbeing & Equality Inclusion report
2022-23 Quarterly complaints report Q3	2022-23 Annual complaints report	2023-24 Quarterly complaints report Q1	2023-24 Quarterly complaints report Q2
2023-24 Corporate Risk Register (V1): BRIC Extract	2023-24 Corporate Risk Register (V2): BRIC Extract	2023-24 Corporate Risk Register (V3): BRIC Extract	2023-24 Corporate Risk Register (V4): BRIC Extract

Audit and Risk Committee Work Plan 2023-24

October	November	March	June
2023-24 Terms of Reference and Work Plan	2022-23 Financial Statements		
	2022-23 Letter to SAAS Covering Internal Audit of Discretionary Funds Return		
	2022-2023 Credit Data Return Internal Audit Report		
	2022-23 Audit Committee Chair's Draft Annual Report		
2023-24 Internal Audit Reports	2023-24 Internal Audit Reports	2023-24 Internal Audit Reports	2023-24 Internal Audit Reports
2022-23 Internal Audit Annual Report			
2023-24 Internal Audit Progress Report	2023-24 Internal Audit Progress Report (October 2023)	2023-24 Internal Audit Progress Report (Feb 2024)	2023-24 Internal Audit Progress Report
2022-23 Internal Audit Rolling Action Plan at Sept 2023	Internal Audit Rolling Action Plan at October 2023	Internal Audit Rolling Action Plan at February 2024	Internal Audit Rolling Action Plan at May 2024
	2022-23 External Audit Progress Report		External Audit Strategy Review and Plan for 12 Months Ending July 2025
2023-24 Corporate Risk Register (V1)	2023-24 Corporate Risk Register (V2)	2023-24 Corporate Risk Register (V3)	2023-24 Corporate Risk Register (V4)
	2023-24 Business Continuity Plan		
	Meeting between Committee and Auditors without non-Members present		

Board of Management Work Plan 2023-24

October/November	December	March	June
Reports to this meeting			
2023-24 Board of Management and Committee Terms of Reference & Work Plan	2022-23 Financial Statements to July 2023: i. Board of Management Report and Financial Statements ii. Annual Report to the Board of Management and Auditor General iii. Letter of Representation	2024 - 2025 Draft Board & Committee Meeting Dates	2023-24 Board Development Plan: outcome report
2023-24 Board and Committee Membership	2022-23 Internal Audit Annual Report	*2023-24 ~~Draft National Outcome and Impact Framework~~ Final Outcome Agreement	*~~2023-24 Final National Outcome and Impact Framework~~
2023-24 Board Chair Annual Evaluation Report	2022-23 Audit Committee Chair's Annual Report	2023-24 SFC Indicative Funding: Revenue & Capital	2023-24 Budgets for Academic Year ending 31 July 2024
SFC 5 Year Financial Forecast Return (FFR)	*~~2023-24 Draft National Outcome and Impact Framework~~	2023-24 First Draft SFC Funded Capital & Revenue Expenditure Programme	2023-24 SFC Funded Capital & Revenue Expenditure Programme
2022-23 Business Growth Annual Review	2022-23 Health, Safety and Wellbeing, Annual Report		Mainstreaming Equality and Diversity, Annual Report
2022-23 Self-Evaluation Report	2022-23 Annual Procurement Report		Digital Strategy, Annual Report
2023-24 Outcome Agreement	2022-23 Annual Complaints Report		ICT, Annual Report
2022-23 Education Scotland Annual Engagement Visit Report	2022-23 Annual FOI Report		
Reports to each meeting			
Chair's report	Chair's report	Chair's report	Chair's report
Principal's report	Principal's report	Principal's report	Principal's report
Student Association Report	Student Association Report	Student Association Report	Student Association Report
Committee Chairs Reports	Committee Chairs Reports	Committee Chairs Reports	Committee Chairs Reports
Q1 Performance Dashboard	Q2 Performance Dashboard	Q3 Performance Dashboard	Q4 Performance Dashboard
Receipt of Confirmed Committee Minutes	Receipt of Confirmed Committee Minutes	Receipt of Confirmed Committee Minutes	Receipt of Confirmed Committee Minutes
2023-24 Corporate Risk Register (V1)	2023-24 Corporate Risk Register (V2)	2023-24 Corporate Risk Register (V3)	2023-24 Corporate Risk Register (V4)

Ayrshire College

Schedule of Board and Committee Meetings
AY 2023-24

COMMITTEE	DATE	TIME	CAMPUS	PAPERS FOR CIRCULATION
Board Induction/Development Day	Thursday 14 September 2023	1:30-5pm	Kilmarnock Campus	N/A
Learning, Teaching & Quality Committee	Thursday 28 September 2023	4.00 PM	Hybrid – Kilmarnock Campus/Teams	21.09.23
Business, Resources & Infrastructure Committee	Tuesday 3 October 2023	4.00 PM	Hybrid – Kilmarnock Campus/Teams	26.09.23
Audit & Risk Committee	Tuesday 10 October 2023	4.00 PM	Hybrid – Kilmarnock Campus/Teams	03.10.23
Board of Management Meeting	Tuesday 31 October 2023	4.00 PM	Hybrid – Kilmarnock Campus/Teams	24.10.23
Learning, Teaching & Quality Committee	Thursday 16 November 2023	4.00 PM	Hybrid – Kilmarnock Campus/Teams	09.11.23
Business, Resources & Infrastructure Committee	Tuesday 21 November 2023	4.00 PM	Hybrid – Kilmarnock Campus/Teams	14.11.23
Audit & Risk Committee	Thursday 30 November 2023	4.00 PM	Hybrid – Kilmarnock Campus/Teams	21.11.23
Board of Management Meeting	Thursday 14 December 2023	4.00 PM	Hybrid – Kilmarnock Campus/Teams	07.12.23
Board Development Day – High Stakes Workshop	Thursday 25 January 2024	9am-5pm	Kilmarnock Campus	N/A
Learning, Teaching & Quality Committee	Thursday 7 March 2024	4.00 PM	Hybrid – Kilmarnock Campus/Teams	29.02.24
Business, Resources & Infrastructure Committee	Tuesday 12 March 2024	4.00 PM	Hybrid – Kilmarnock Campus/Teams	05.03.24
Audit & Risk Committee	Tuesday 19 March 2024	4.00 PM	Hybrid – Kilmarnock Campus/Teams	12.03.24
Board of Management Meeting	Thursday 28 March 2024	4.00 PM	Hybrid – Kilwinning Campus/Teams 3pm Tour Willie Mackie Skills Hub	21.03.24
Board Strategy Day	Tuesday 16 April 2024	All Day	TBC	N/A
Learning, Teaching & Quality Committee	Thursday 23 May 2024	4.00 PM	Hybrid – Kilmarnock Campus/Teams	16.05.24
Business, Resources & Infrastructure Committee	Tuesday 28 May 2024	4.00 PM	Hybrid – Kilmarnock Campus/Teams	21.05.24
Audit & Risk Committee	Tuesday 4 June 2024	4.00 PM	Hybrid – Kilmarnock Campus/Teams	28.05.24
Board of Management Meeting	Thursday 13 June 2024	4.00 PM	Hybrid – Kilmarnock Campus/Teams	06.06.24

Our Values: Respectful | Supportive | Open and Honest

Schedule of Board and Committee Meetings - DRAFT AY 2024-25

COMMITTEE	DATE	TIME	VENUE	PAPERS FOR CIRCULATION
Board Development Session 1	Friday 13 September 2024	1PM & Dinner	TBC Ayr & Westerly's	N/A
Learning, Teaching & Quality Committee	Thursday 07 November 2024	4–6PM	Kilmarnock Campus	31.10.24
Business, Resources & Infrastructure Committee	Tuesday 12 November 2024	4-6PM	Kilwinning Campus	05.11.24
Audit & Risk Committee	Tuesday 19 November 2024	4-6PM	Kilmarnock Campus	12.11.24
Board of Management Meeting	Thursday 05 December 2024	4-6PM	Kilmarnock Campus	28.11.24
Board Development Session 2	Friday 24 January 2025	1PM & Dinner	(Burns Supper?) Park Hotel, Kilmarnock	N/A
Learning, Teaching & Quality Committee	Thursday 06 March 2025	4PM	Kilmarnock Campus	27.02.25
Business, Resources & Infrastructure Committee	Tuesday 11 March 2025	4PM	Kilmarnock Campus	04.03.25
Audit & Risk Committee	Tuesday 18 March 2025	4PM	Kilmarnock Campus	11.03.25
Board of Management Meeting	Thursday 27 March 2025	4PM	Kilwinning Campus	20.03.25
Board Development Session 3	Tuesday 29 April 2025	1PM	TBC/ Kilwinning Campus	N/A
Learning, Teaching & Quality Committee	Thursday 23 May 2025	4PM	Kilwinning Campus	16.05.25
Business, Resources & Infrastructure Committee	Tuesday 28 May 2025	4.00 PM	Kilmarnock Campus	21.05.25
Audit & Risk Committee	Tuesday 4 June 2025	4.00 PM	Kilwinning Campus	28.05.25
Board of Management Meeting	Thursday 12 June 2025	4.00 PM	Kilmarnock Campus	05.06.25

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Ayrshire College

Board Effectiveness Report 2022-23 and Board Development Plan 2023-24

Hilary Denholm, Board Governance Adviser
ayrshirecollegeboardoffice@ayrshire.ac.uk

Ayrshire College

Board and Committee Attendance 2022-23

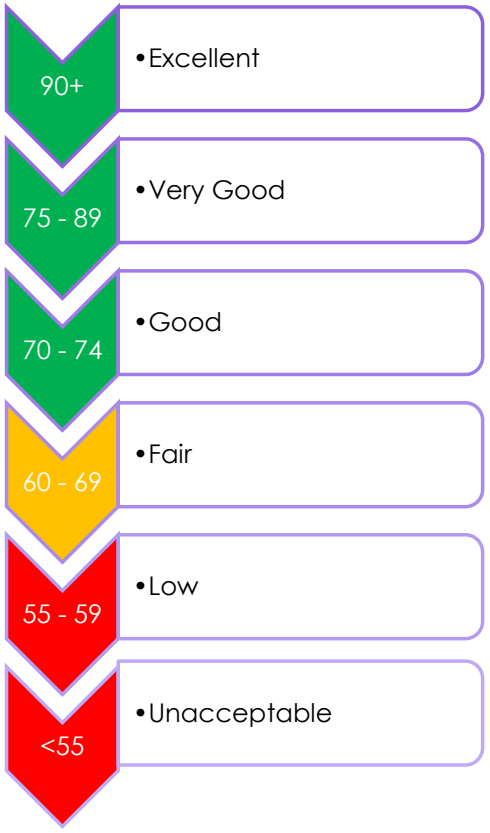
What is our measurement criteria for attendance?

- **"Excellent" to "Unacceptable"**
: the attendance key is divided into a six-point scale.

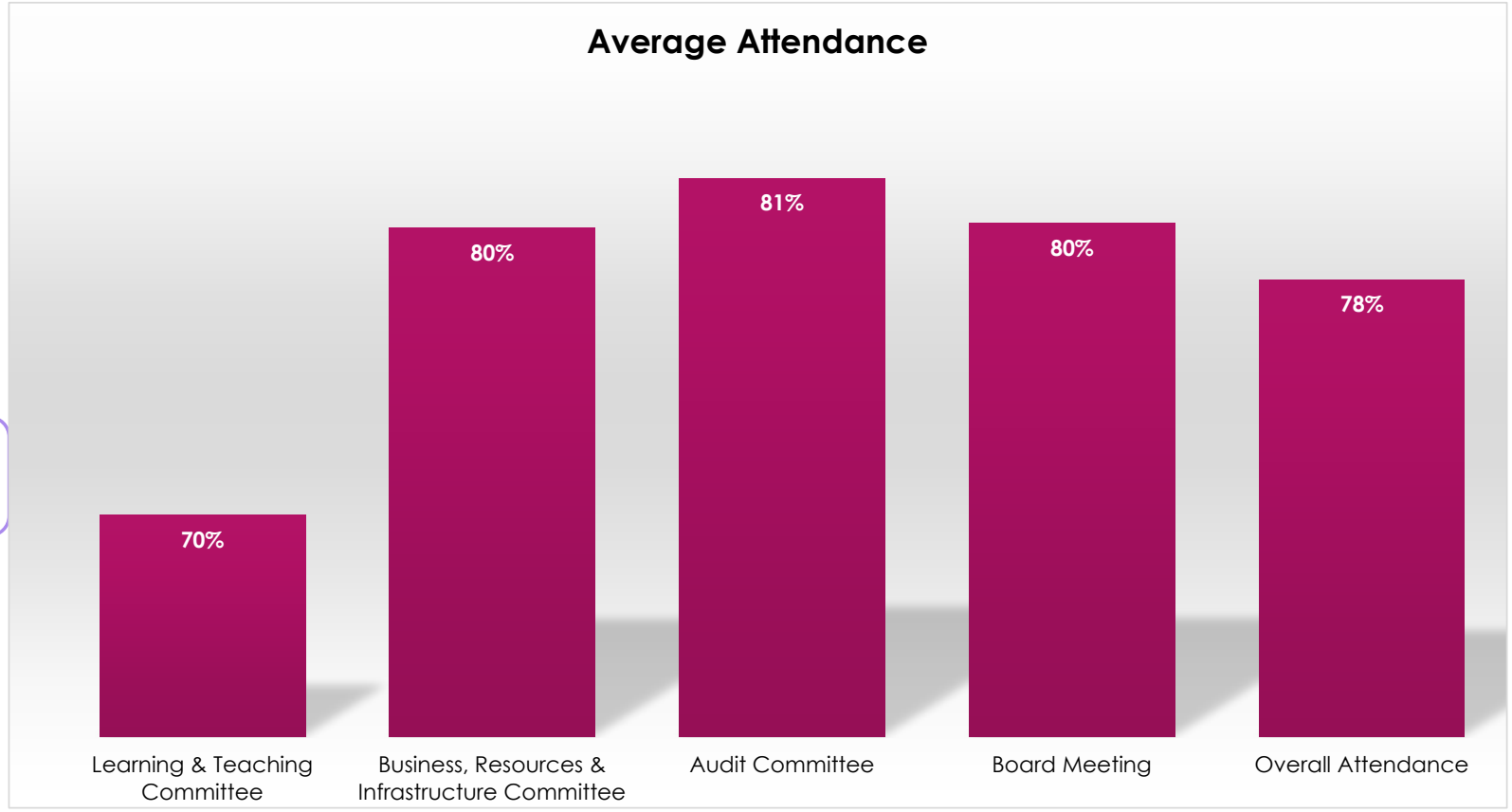
- **≥ 70% average attendance**
: considered to be acceptable.

- **<70% average attendance**
:considered to be less than acceptable and would normally be subject to review and opportunities for improvement explored.

- **90% attendance benchmark and key performance indicator.**



Board and Committee Attendance: 2022/23 overview

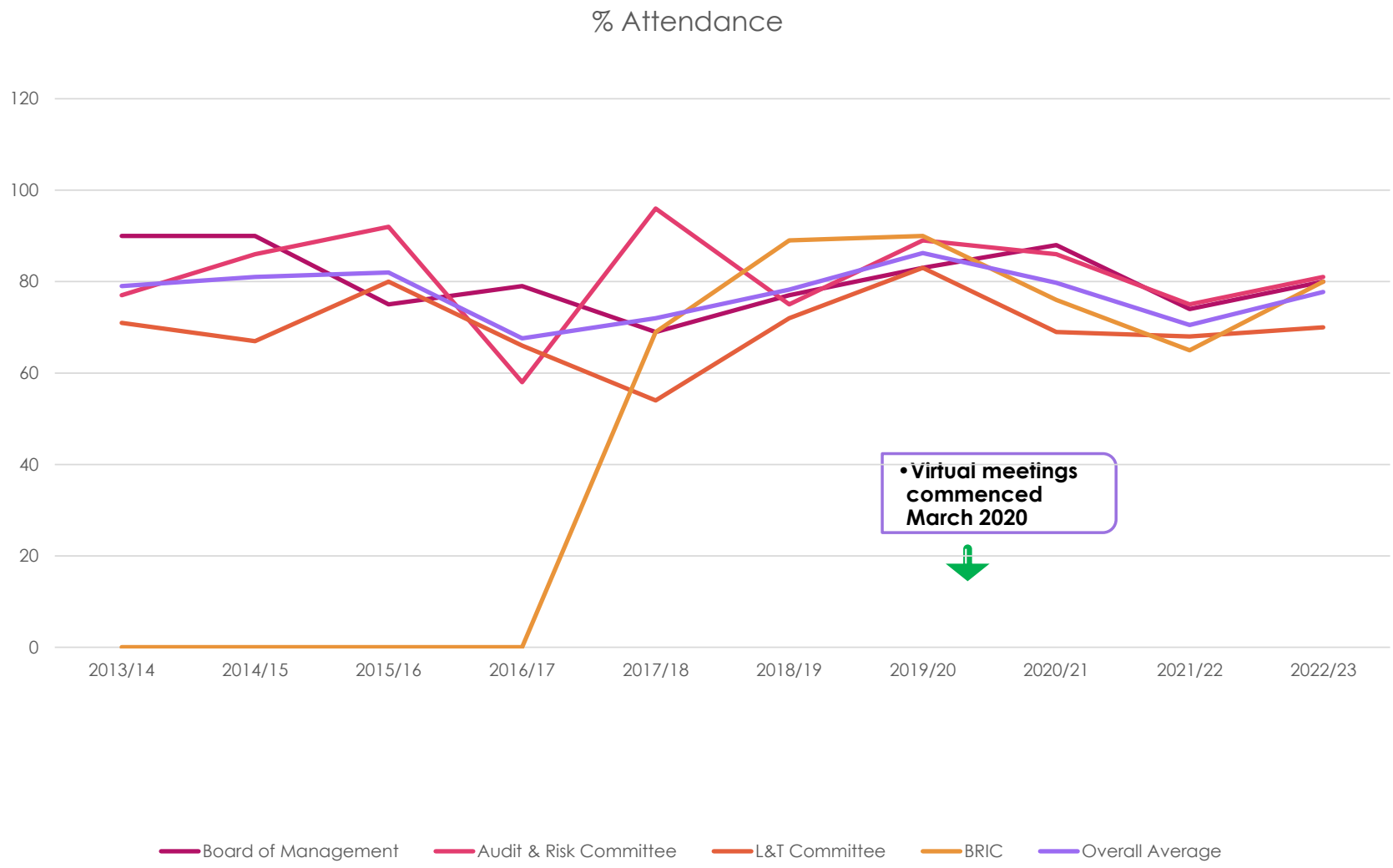


- Very Good
- 75 - 89
- Good
- 70- 74
- Fair

Attendance levels have increased from last year across all committees, with all within good or very good levels on the six point scale.

Our Values: Respectful | Supportive | Open and Honest

Board and Committee Attendance: 2013/14 - 2021/22



Our Values: Respectful | Supportive | Open and Honest

Board and Committee meeting attendance 2022/23

Key points:

- Attendance levels have all improved and overall average is Very Good
- The flexibility of Hybrid attendance appears to work well
- Any attendance difficulties highlighted can be discussed as part of annual reviews with the Chair
- Committee membership can be altered if required to assist where ongoing difficulties have been identified; vacancies highlighted or development requested

Ayrshire College

Board and Committee Self-Evaluation of Effectiveness Report 2022-23

Method

- Board of Management: Self- Evaluation Questionnaire created in Forms

- Emailed to Board Members on 2nd June, requesting completion by 28 July latest

- Scoring scale 1 to 6

(low = disagree, high = agrees)

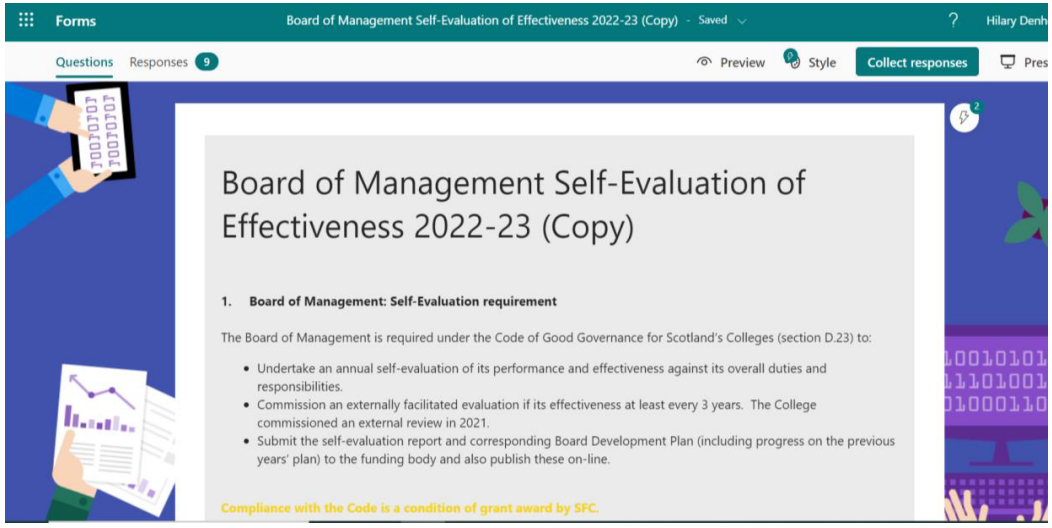
Highlighted results under 5.4 out of 6 in red

- Comments & Feedback

- Follow up

- Review, summarise, report results

- 9 from12 members (75%) completed



The Code of Good Governance provides direction on the key principles of governance, under the headings of:

A. Leadership and Strategy
B. Quality of the Student Experience
C. Accountability
D. Effectiveness
E. Relationships and Collaboration

Leadership and Strategy

Vision and Strategy

- The Board has set out clear strategic priorities and aims
- The Board regularly reviews performance against the strategic aims
- The strategic objectives and priorities of the College are aligned with regional strategy/outcomes
- The Board undertakes regular strategic reviews/ scenario planning

1	**2**	**3**	**4**	4/5	5/6	**5.56**
1	2	3	4	5/5	4/6	**5.44**
1	2	3	1/4	2/5	6/6	**5.56**
1	2	1/3	1/4	4/5	3/6	**5.00**

Current strategy has too many priorities. A revised strategy being developed for 2024 will sharpen our focus. With so much change and uncertainty across the tertiary sector, we need to provide the space (on board development days) to scenario plan the future shape of Ayrshire College within the sector that is not just driven by finances

The college has a desire to align with the regional strategy, however the lack of consistency in the delivery of this makes this more challenging to achieve i.e. Ayrshire Growth Deal

I think the BOM is working really well towards ensuring we are reviewing performance against the strategic aims. We have carried out scenario planning but often our planning is hindered by the lateness of information such as budgets that are provided to us by SFC/SG

Leadership and Strategy

Corporate Social Responsibility

- The Board understands and demonstrates the College Values
- The Board has a Code of Conduct to which it is committed in practice
- The Board operates according to the Nine Principles of Public Life: Duty/Public Service, Selflessness, Integrity, Objectivity, Accountability and Stewardship, Openness, Honesty, Leadership, Respect

1/5	8/6	**5.89**
	9/6	**6**
	9/6	**6**

Excellent in this area.

Chair quickly identifies where individuals are not upholding the principles and addresses. Example within this academic year - board member stood down due to social media posts

Quality of Student Experience

Student Engagement

- Student members are active at Board level
- The Board receives regular reports from the Students' Association
- The Board and its Committees prioritise the opinions/views of students

1/2			2/5	6/6	5.33
			1/5	8/6	5.89
	1/3		2/5	5/6	5.44

The college senior leadership team need to do more to prepare student board members to bring a strong evidence base of the student voice and be prepared to contribute to debate and decision making using their understanding of the college

BOM and LTQ committee receives a report from the Student Association (SA) at each meeting and the SA members of BOM are actively encouraged and supported to ask questions at these meetings and at LTQ

I student voice could be listened to and acted on more. Students could, for example, be involved in Board Member interviews?

Strong on student support - could do a wee bit more on scrutinising L&T

Quality of Student Experience

Learning and Teaching/Student Support

- Learning and Teaching Performance is overseen effectively
- The Board sets challenging student success targets
- The student experience is central to Board decision-making

1/3	1/4	3/5	4/6	5.11
1/3		4/5	4/6	5.22
1/3		2/5	6/6	5.44

In terms of being overseen by HMIE, we have good systems in place to ensure that we are involved with receiving feedback from HMIE and are involved with improvement action planning (if any). In terms of how Learning and Teaching performance is measured from the college, I'm unsure if we are doing this very well. We do have performance measures in place in terms of student retention etc as well as student feedback mechanisms. These can give an indication on L&T performance. However in terms of actual teaching staff performance; my understanding is BOM or LTQ committee do not receive information on any performance systems and data in place, in relation to teaching staff performance

Developing a suite of headline KPIs has improved board scrutiny of student experience. Initial work is developing around measuring the quality of L&T in the classroom that over the next year will provide board with qualitative evidence of L&T experience. Increased focus has been given with the Ed Scotland Thematic review which provided board with a detailed report on the quality of L&T this year

I think we need to more ambitious for our students and think about the school curriculum offer- how does what the college offers in terms of curriculum fit with school subjects and progression pathways/labour market intelligence and the growth deal?

Accountability

Accountability and Delegation: Risk and Audit

- The Board recognises its chain of accountability
- The Board is open in its decision-making and facilitates disclosure
- The Board delegates responsibilities to appropriate committees
- The Board has in place an effective risk management strategy
- The College's audit processes are comprehensive and rigorous
- The Board publishes high quality Annual Reports

	1/5	8/6	**5.89**
	1/5	8/6	**5.89**
1/4		8/6	**5.78**
1/4		8/6	**5.78**
	1/5	8/6	**5.89**
	1/5	8/6	**5.89**

I believe that as a BOM we take our accountability very seriously and have good systems in place to manage our risk and audit responsibilities.

Accountability

Remuneration, Sustainability, Staff Governance

- There is a formal process for setting the Principal's remuneration
- Funds are planned and used economically, efficiently, and effectively
- Board members are aware of their responsibilities as charity trustees
- The Board prioritises the fair and effective management of staff

1/5	8/6	**5.89**
2/5	7/6	**5.78**
1/5	8/6	**5.89**
1/5	8/6	**5.89**

We have systems in place that are delegated to our remuneration committee to oversee Principal's remuneration. I believe that the BOM is always keen to ensure staff are fairly treated and our decision making not only takes account of student interest but also the impact on staff. We are diligent in our financial planning and ensure all funds are planned and used effectively and efficiently. I believe discussions are always open and honest. Despite some decisions being difficult to make the BOM understands the need to ensure that AC remains a viable organisation.

Effectiveness

Post Holder Effectiveness

- The Board Chair promotes open discussion on strategic matters
- The Board has an appropriate mix of skills and works well as a team
- The Principal and Executive Team are clearly accountable to the Board
- The Board is well supported and guided in matters of governance

	9/6	**6**
2/5	7/6	**5.78**
	9/6	**6**
1/5	8/6	**5.89**

At times the board can be passive in challenging performance. Part of this is because we provide so much information, it is difficult for board members to draw out what are the key issues.

There has been great improvement over the past two years in implementing new systems to help manage our board governance. I feel this has been really beneficial to the board and its operations. I think there is a good mix of knowledge and skills on the board. I do feel that we need to work more at getting to know each other as well as our understanding each others experiences and skills in more depth, so that we can enhance the work that we do as a BOM.

Effectiveness

Board Member Development and Evaluation

- Board recruitment is open and in line with ministerial guidance
- There are sufficient opportunities for Board induction and development
- Board effectiveness is regularly reviewed

	9/6	**6**
2/5	7/6	**5.78**
	9/6	**6**

Over the last year we have opened up opportunities for board to understand the workings of the college and connect with departments. This will support their development as a board member.

Induction systems and processes have been reviewed over the past 2 years and I believe that induction has greatly improved for new BOM members. This is very positive. New members should feel more supported than perhaps previously.

Relationships and Collaboration

Partnership Working

- The Board ensures effective communication with stakeholders
- Learning provision is relevant to industry needs
- The College engages well with stakeholders/industry partners
- The Board supports the delivery of the Regional Outcome Agreement

	1/4	3/5	5/6	**5.44**
1/3	1/4	2/5	5/6	**5.22**
	1/4	3/5	5/6	**5.44**
		4/5	5/6	**5.56**

The board agrees the ROA. We have started bringing in external stakeholders (SFC/EAC) to strategy days to ensure our direction is reflective of regional priorities. Our board members are live to the local economy. As part of the new SLT structure and development of a new strategy, stakeholder engagement for board should be considered as part of a wider piece of work.

Similarly to previous, challenges in getting consistent messages from local government.

In my opinion the Executive team and the Chair work very hard and well to engage with current and new stakeholders. They continually strive to find opportunities for AC to be involved, to ensure our college can remain relevant to the needs of the local economy and to the wider economy. They continually look to increase our funding opportunities and income streams in its widest sense.

Forward look

What are the key issues that you feel need to be addressed by the Board for the future?

- *Strong board with very experienced members who understand their role. They have provided me with excellent support and challenge since I joined as principal and we are starting to utilise their expertise in supporting our project development.*

- ***Focus on financial sustainability over the medium term, while blending learning needs.***

- *Supporting the College leadership team through an extremely challenging period of transition whilst ever-growing pressures on funding continue.*

- ***I still remain concerned over our level of funding and how we can manage to ensure we provide a high quality learning experience for students that meets the needs for the economy and local business and ensure our student numbers grow rather than reduce. Having no key financial lead in the executive management team at present, heightens the risk to AC particularly given our current financial situation. The pay awards for staff can further impact our financial situation and discussion and planning in this as a BOM is important. Having limited capital funding limits our ability to invest in our campuses. This is a key issue that I think we need to begin to address over the coming months.***

- More challenge of results and student achievement/attainment
- Financial challenges
- Ayrshire Growth Deal - what does this mean for the college, its students, staff and future?

- **The primary concerns requiring attention from the board of management include insufficient funding and budget reductions, as well as the imperative of ensuring sustained long-term viability**

Board self-evaluation of effectiveness report 2022/23

Summary Discussion points:

1. How can we improve our scenario planning & strategic reviews?
2. How can we increase student voice evidence, debating, input & decision making at Board level?
3. How can we improve our Annual Reports?
4. How can we highlight key issues better from the high volume of information presented?
5. What type of further opportunities can we offer for Board induction & development?
6. How can we promote relationships & increase collaboration?
7. How can we ensure “relevant to industry needs” Learning is provided?
8. How can we contribute better to financial planning?
9. How can we challenge results and achievements better?
10. How does the Ayrshire Growth Deal impact our future?
11. What other actions to consider to tackle anticipated changes/challenges?

Next steps – Board Development Plan

1. Incorporate the recommendations from the previous externally facilitated effectiveness review from March 2021.
2. Incorporate the feedback from the 22-23 Board Self-Evaluation questionnaire.
3. Incorporate suggestions/training needs from the Annual Appraisal discussions with the Chair, and the Principal -

- CREATING ENVIRONMENT TO PROVIDE MORE CONSTRUCTIVE CHALLENGE TO EXECUTIVES- INCLUDING WHAT INFORMATION IS PRESENTED TO THE BOARD
- BRIEFING ON WIDER STRATEGIC CONTEXT OF POST 16 EDUCATION
- BRIEFING ON GROWTH DEAL AND ALSO ESTABLISHED BUSINESSES WITHIN THE LOCAL ECONOMY
- TEAM BUILDING FOR BOARD MEMBERS
- ONGOING VISITS/EXPOSURE TO COLLEGE SERVICES, STUDENTS AND STAFF

4. Incorporate suggestions/ideas/development needs from ongoing discussions e.g. Unconscious Bias.

5. Incorporate any relevant ideas/suggestions from the Board sub-group committees prior to the Board meeting on 31st October.

Ayrshire College

Board Development Plan 2023-24

For Board of Management Approval 31.10.2023

Board Development Plan 2023/24

1. The Board Development Plan 2023/24 provides evidence of compliance with the Code of Good Governance for Scotland's Colleges and is aligned to the principles of the code.
2. The plan supports the delivery of the strategic ambition and provides evidence of the board's role in contributing to the strategic direction of the college:
    - Strategic ambition 3: to be a high performing, environmentally responsible college recognised for excellence, equality and integrity.
    - Strategic objective: focus on being a high-performing college underpinned by excellence in stewardship, effective risk management and the highest standards of corporate governance
3. The plan takes account of the recommendations presented in the previous externally facilitated effectiveness review (March 2021), the recommendations from the 2022/23 board self-evaluation of performance, the annual appraisal discussions with the chair, and feedback from board development sessions and board committee meetings.
4. The plan supports college values of being respectful, supportive, open & honest, and college visions to: raise aspirations; inspire achievement; increase opportunities.
5. The plan is presented as a one-year developmental plan with annual reporting to the board of management.
6. Implementation and improvement action plans will be managed by the board governance adviser and will be evidenced where relevant with key performance indicators.
7. The following plan is presented for review, discussion and approval to the board, for submission to SFC.

Board Development Plan 2023/24

Principles	Development recommendations	Source	Action Plan	Impact	Lead	Time line	Status	KPI
A. Leadership and Strategy: Vision & Strategy Corporate Social responsibility	**Promote Board Member Profiles, Skills, Leadership qualities.**	BGA & Externally Facilitated Effectiveness Review (March 2021)	1. Members requested to review current biographies for uploading to website. 2. Skills Matrix annual update 3. Consider highlighting profiles in a range of marketing platforms, video clips 4. Members to understand and continue to demonstrate College Values, Code of Conduct, Nine Principles of Public Life	1. Biographies up to date, relevant, increase awareness of range of skills, experience of each member & assist with recruitment & succession planning 2. Obtain updated skills gap analysis, assist with recruitment & succession planning, promote diversity 3. Raise profile & assist with recruitment & succession planning, promote diversity 4. Help promote consistency and embed College Values, set leadership example, consistency of Conduct across Board members	BGA BGA BGA Marketing BGA Chairs Principal	July 23	Implemented	% completion
	Maximise Strategic & Constructive Challenge Time	Members Appraisals Self Evaluation Questionnaire	1. Consider more strategic time & focus within agendas & workplans 2. Consider how Board papers can be more strategically presented 3. Board prepare strategic questions to put to the staff 4. Connect reporting to agenda & strategic direction – consider 3 cycles of meetings 5. Consider additional time before/after existing meetings for scenario planning, strategic thinking & teambuilding 6. Consider meeting debrief time for Chairs/Vice 7. Consider optimum location/environment 8. Board help shape the College's own Think the Unthinkable Plan 9. Board input into revised Strategy being developed	More strategic discussion & interaction, increase constructive challenge, scrutiny, teambuilding, enhance board member engagement, improved scenario planning & strategic reviews, revised strategy to help sharpen focus, improve Board knowledge of what to monitor and how to monitor	BGA Chairs Principal	June 2024	In Process	
	Stakeholder mapping	Externally Facilitated Effectiveness Review (2021)	Stakeholder map reviewed annually and map included in Board Member induction handbook.	Improve Board knowledge of the full range of College stakeholder relationships & College contributions	BGA Chair Principal	July 2023	Implemented	
	Stakeholder engagement	Externally Facilitated Effectiveness Review (March 2021) & Members Appraisals	1. Offer dedicated time for informal discussion, focus on significant college issues relevant to the Board with key stakeholders invited to present and engage with the Board 2. Include briefings and discussions on wider strategic context of post 16 education 3. Offer Briefings and discussions on growth deal and established businesses within the local economy	Update & inform Board re current issues, allow for strategic questioning, longer term thinking and discussion, enhance members stakeholder knowledge, assist with informed decision making, maintain understanding of current key employment needs to aid strategic decisions	BGA Chair Principal	June 2024	In Process	
	Knowledge repository	Externally Facilitated Effectiveness Review 2021	A reference record of topics presented will form part of a 'Knowledge repository' for the Board of Management.	Improve stakeholder and other info for Board to reference & share	BGA	August 2023	Implemented	

Board Development Plan 2023/24

Principles	Development recommendations	Source	Action Plan	Impact	Lead	Timeline	Status	KPI
B. Quality of the Student Experience: • Student Engagement • Learning & Teaching/	Members expressed interest in learning more about the student experience and the coherence of provision considering employer needs	Externally Facilitated Effectiveness Review (March 2021) & Self Evaluation Questionnaire	1. Board & Board LTQ Committee receive a report from the Student President as a standing item 2. Offer Mentorship from existing and experienced Board Member to help develop 3. Student Board Members to increase contribution to debate and decision making 4. Offer opportunities for ongoing visits/exposure to college services, students and staff 5. Set more challenging student success1. targets via KPIs	Improved understanding of student experience though increased evidence Increased contribution from Student Board members Increased scrutiny of Learning & Teaching to aid effectiveness and maximise outcomes	Student President BGA	Quarterly reporting	In process	

Board Development Plan 2023/24

Principles	Development recommendations	Source	Action Plan	Impact	Lead	Time line	Status	KPI
C. Accountability: • Accountability & Delegation- Risk & Audit • Remuneration, Sustainability, Staff Governance	**Meetings** Hybrid approach to board and committee meetings.	Externally Facilitated Effectiveness Review (March 2021) & Self Evaluation Questionnaire	1. Offer meetings via Teams and in person 2. Monitor attendance of both In Person & Virtual 3. Email for discussions, decisions, urgent approvals	Improved attendance rates, timely decisions, effective interaction, challenge, critical thinking and decision making	BGA	Ongoing	Implemented	
	Training & Development	Externally Facilitated Effectiveness Review (March 2021) Self Evaluation Questionnaire Board Development Afternoon	1. CDN training and development opportunities circulated to all Board members, specific training highlighted where relevant e.g. Induction training opportunities for new members, Audit for ARC members 2. The BGA circulates relevant training and development opportunities to the Board. 3. Attendance records are maintained to inform Board Member CPD and annual performance reviews. 4. Board members to be offered relevant College online staff modules e.g. Safeguarding, GDPR, wellbeing 5. Agree what should be Mandatory training for Board members 6. Board members to be offered LinkedIn learning accounts	Specific Board development offered to all	BGA	June 2024	In Process	% attendance % completion
	Board Member induction	BGA	Board Member induction handbook presented as on-line reference tool and referenced according to: External Environment, Board Environment & College Environment	Board members can more easily access relevant information	BGA	August 2023	Implemented	
	Board Secretary induction	Externally Facilitated Effectiveness Review (March 2021)	1. Internal Board Secretary Handbook in development to further support CDN induction handbook. 2. Board Governance Advisor is a member of the CDN Board Governance Group and attends all meetings. 3. Mentoring from experienced BGA - requirement of the Code of Good Practice for Scotland's Colleges.	Enhance Board secretary role, enhance good governance	BGA	Ongoing	In Process	
	Committee Reporting	BGA	1. Committee Chair report submitted to each Board meeting. 2. Include in these reports a summary of the discussion points & other options considered and/or rejected by the committee. 3. Review templates used	Improve Board awareness of current issues, key points/issues highlighted	BGA	Quarterly Reporting	In Process	
	Risk Management	BGA	1. Share information/presentations/training opportunities on risk management/appetite 2. Chairs of each Committee look at risk, and send to ARC for oversight 3. Consider how emerging/potential risks are included and discussed (Financial/Learning) 4. Identify any reporting gaps so all aspects of risk are covered	Improved sustainability, risk oversight, wider understanding, enhanced assurance, active register, dynamic response to emerging risks	BGA ARC	Quarterly Reporting	In Process	

Board Development Plan 2023/24

Principles	Development recommendations	Source	Action Plan	Impact	Lead	Timeline	Status	KPI
D. Effectiveness: • Post Holder Effectiveness • Board Member Development & Evaluation	Recruitment Additional development opportunities	BGA Self Evaluation Questionnaire Board Development Afternoon	1. Plan Board recruitment process to cover expected/and other leavers 2. Prepare for turnover and impact of new members to performance & dynamics, including Union members 3. Offer a selection of specific topic updates where need identified and agreed e.g. Unconscious Bias half day session 4. Investigate additional development opportunities and resources e.g. High Stakes pilot via CDN 5. Source specific/bespoke Board level training resources	Ensure sufficient members with range of skills, address skills gaps, promote diversity, teambuilding opportunities, strength, experience Well equipped to support College in challenging times ahead	BGA Chair SNC HR	Jan 2024	In Process	

Board Development Plan 2023/24

Principles	Development recommendations	Source	Action Plan	Impact	Lead	Timeline	Status	KPI
E. Relationships and Collaboration: • Partnership Working	Ensure that the board are and remain fully briefed on the college engagement with the Ayrshire Growth Deal.	Externally Facilitated Effectiveness Review (March 2021) & Self Evaluation Questionnaire Board Development Afternoon	1. Standing agenda item at BRIC meeting. 2. Reporting to the Board via the Chair's report to the Board from BRIC and via the minutes of the meeting which are submitted to the Board. 3. Include in Principal updates	Improve Board awareness re Ayrshire Growth Deal	BRIC	Quarterly Reporting	Actioned 14/09/23	
	Increase collaboration with other colleges	BGA	1. BGA build relationships with other college BGAs 2. College Network meeting updates provided to Board	Improved awareness, resource pooling, benchmarking	BGA Principal Chair	June 2024	In progress	

Ayrshire College *(Paper 09)*

Board of Management

31 October 2023

Strategic Objective Reference:	SO5 High performing college underpinned by excellence in stewardship and governance
Subject/Purpose:	Committee Chair's Report - Learning Teaching and Quality Committee Meeting, 28th September 2023.
Action Required:	The Board is asked to receive and note the report and review any areas escalated by the Committee to the Board.
Appendices:	**No**

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1. Summary/Key Points

To provide the Board with a summary of significant items considered by the Learning Teaching and Quality Committee Meeting in advance of the approved minutes being submitted to the next Board meeting in December 2023.

2. Proposals and Recommendations

The Board is asked to receive and note the report and review any areas escalated by the Committee to the Board.

3. Associated Risks

N/A

4. Equality and Diversity Impact Assessment (if applicable)

An impact assessment is not applicable given the subject of this paper.

1. Background

To provide the Board with a summary of significant items considered by the Learning Teaching and Quality Committee Meeting in advance of the approved minutes being submitted to the next Board meeting in December 2023.

2. Current Situation/Assessment

The Committee considered, noted or approved the following:

- **Education Scotland 2022-23 Annual Engagement Visit Report**

The Committee welcomed Joe Mulholland who provided a verbal update on the report outlining the following key strengths: recruitment, retention, attainment, and progression, and addressed the areas for improvement outlining the two main points for action:

1. the College taking action to improve rates of successful completion, in particular address the number of learners who leave their programme early.
2. the College ensuring staff have access to comprehensive and reliable information to support systematic evaluation to secure improvement.

The Committee noted that the points around retention and recruitment and the action plan that had been developed following the annual engagement visit and thematic review. The action plan would be reported back to the LTQC throughout the academic year.

- **Student Association Report**

The Committee noted the increased visibility of the Student Association and the positive and successful Freshers events that had taken place across all three campuses. Discussions also took place on work to roll out this year's Class Ambassador Model and the preparations in place to train and support Class Ambassadors, along with timelines involved. Members agreed and noted the positive steps the Student Association were taking and requested that the Committee were kept updated with numbers and recruitment.

- **2023-24 Committee Terms of Reference and Workplan**

The Committee approved the changes in language and terminology. Discussions took place on the Student Funds paper, currently presented to both LTQC and BRIC, and members agreed it should still be presented to LTQC with the current format tweaked to incorporate the learning and teaching landscape.

The Interim Ayrshire College Performance Indicator Report and the College Sector KPIs were discussed and the Committee was advised that due to Action Short of Strike (ASOS) these reports would not be available to present to the LTQC.

- **2022-23 External Verification Report**

The committee noted the increased external verification activity and the examples of good practice.

- **2023-24 Draft Regional Outcome Agreement and 2022-23 Draft Self-Evaluation Report**

It was noted that members would not have had time to read in detail so any feedback and recommendations should be directed to A Campbell.

- **2023-24 Student Recruitment Update**

The Committee noted that whilst HE recruitment remained challenging, FE recruitment, along with schools and apprenticeships were very buoyant.

- **2022-23 Final Credit Position Report at 11 September 2023**

The Committee welcomed the very positive report and acknowledged the hard work in achieving this position.

- **2022-23 Student Support Funds: Final Position at 31 July 2023**

Concerns were raised that the sector had yet to receive confirmation regarding HE discretionary funding. It was noted that the College continued to support students, where required to ensure retainment where possible. Members noted the positive work that the student funding team and students service team took to ensure students were supported.

- **2022-23 Apprenticeships and Work Based Learning Report: Final Position at 31 August 2023**

The Committee noted the positive income and expenditure position and extended thanks to all involved for achieving such a great result.

- **2023-24 Corporate Risk Register (V1): LTCQ Extract**

The Committee confirmed that they were content that the risks and the assessment and management of the risks reflected the significant risks, within the remit of the LTQC.

- **SFC Guidance to College and Universities on Quality AY 2022-23 and AY 2023-24: Refresh** Item provided for information only.

3. Proposals and Recommendations

The Board is asked to receive and note the report and review any areas escalated by the Committee to the Board.

4. Risks

N/A

5. Resource Implications

No further resource implications require to be noted.

6. Equality and Diversity Impact Assessment

N/A

7. Sustainability

N/A

8. Consultation/Input

Chair & Vice Chair LTQC, Board Governance Adviser.

Alison Sutherland
Chair, Learning, Teaching and Quality Committee
05 October 2023

This paper will be published on the College website.

Ayrshire College *(Paper 10)*

Board of Management

31 October 2023

Strategic Objective Reference:	SO5 High performing college underpinned by excellence in stewardship and governance
Subject/Purpose:	Committee Chair's Report - Business, Resources and Infrastructure Committee Meeting, 3rd October 2023.
Action Required:	The Board is asked to receive and note the report and review any areas escalated by the Committee to the Board.
Appendices:	**No**

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1. Summary/Key Points

To provide the Board with a summary of significant items considered by the Business, Resource and Infrastructure Committee meeting in advance of the approved minutes being submitted to the next Board meeting in December 2023.

2. Proposals and Recommendations

The Board is asked to receive and note the report and review any areas escalated by the Committee to the Board.

3. Associated Risks

N/A

4. Equality and Diversity Impact Assessment (if applicable)

An impact assessment is not applicable given the subject of this paper.

1. Background

To provide the Board with a summary of significant items considered by the Business, Resource and Infrastructure Committee meeting in advance of the approved minutes being submitted to the Board meeting 14 December 2023.

2. Current Situation/Assessment

The Committee considered, noted or approved the following:

- **2023-24 Committee Terms of Reference and Workplan**

The 2023-24 Committee Terms of Reference and Workplan was recommended for approval to the Board on 31 October 2023.

- **2022-23 Management Accounts as at 31 July 2023**

The 2022-23 Management Accounts as at 31 July 2023 were recommended for approval to the Board on 31 October 2023.

- **2022-23 Student Support Funds Final Position at 31 July 2023**

The Committee noted the allocation of student funding was well utilised at Ayrshire College, when benchmarked across the sector, with many other colleges underspent; plus the ability to redirect funds to where they are most needed, with 2000 students receiving cost of living payments in 2022-23.

- **2022-23 Business Growth Annual Review**

The 2022-23 Business Growth Annual Review was recommended for approval to the Board on 31 October 2023. The Committee noted the report is positive but retrospective, with the concerns raised for this academic year supporting the appointment of a Director to this area.

- **Willie Mackie Skills Hub (WMSH) Update**

It was confirmed that the WMSH was complete and opened to students in time for the start of the academic year. A detailed breakdown of construction and fit-out costs were presented, along with pictures of teaching and workshop areas. The Committee commended Sharon Driver on the impact and improvement realised due to her expertise as Project Manager. Going forward, the importance of appointing professional project management at an early stage was acknowledged. A future Board meeting (28 March 24) is scheduled at Kilwinning Campus allowing Board members to tour the WMSH.

- **HR & Staff Learning and Development Report, May 23 to July 23**

The Committee noted College sickness absence figures were slightly above the public sector average at 10.8 days per employee, with mental ill health and musculoskeletal being the highest categories for days lost; sickness periods were getting longer, largely due to a backlog and longer wait lists for treatment.

- **Health, Safety and Wellbeing & Equality and Inclusion Report, May 23 to July 23**

The Committee noted 20 incidents were recorded during the reporting period (21 last year); one RIDDOR reportable incident took place, the student has since made full recovery and the Estates team have addressed equipment issues; one settlement was agreed and other liability accepted with the claim expected to close in due course; 240 members of staff attended occupational

health appointments; Wellbeing at Work Award being taken forward 2023-24 into 2025. Committee members requested the rolling accident/incident table present a comparison over a 12-month period, to better convey improvement.

- **Quarterly Complaints Report (Q3) Feb 23 to April 23**

Committee members noted 45 issues were received, 41 complaints 3 of which were withdrawn resulting in 38 complaints in the reporting period; during 22-23 there were many more students on campus so the trend would be expected to increase; the direct correlation between complaints and behavioural issues; a focus on service improvement as a number of complaints related to assessment, exam and qualification issues.

- **2023-24 Corporate Risk Register (V1): BRIC Extract**

The Committee approved the Risk Register – BRIC Extract as at August 2023 for submission to ARC.

- **Lion & Gazelle Digital Infrastructure Report**

Committee members noted: improved Connectivity and Cloud storage as the most critical, short-term aspects of the project, until funding was confirmed; the importance of understand consequences across all systems;

3. Proposals and Recommendations

The Board is asked to receive and note the report and review any areas escalated by the Committee to the Board.

4. Risks

N/A

5. Resource Implications

No further resource implications require to be noted.

6. Equality and Diversity Impact Assessment

N/A

7. Sustainability

N/A

8. Consultation/Input

Chair & Vice Chair BRIC, Board Governance Adviser.

Mike Stewart
Chair, Business, Resources and Infrastructure Committee
18 October 2023

This paper will be published on the College website.

Ayrshire College *(Paper 11)*

Board of Management

31 October 2023

Strategic Objective Reference:	SO5 High performing college underpinned by excellence in stewardship and governance
Subject/Purpose:	Committee Chair's Report - Audit and Risk Committee Meeting, 10th October 2023.
Action Required:	The Board is asked to receive and note the report and review any areas escalated by the Committee to the Board.
Appendices:	**No**

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1. Summary/Key Points

To provide the Board with a summary of significant items considered by the Audit and Risk Committee meeting in advance of the approved minutes being submitted to the next Board meeting in December 2023.

2. Proposals and Recommendations

The Board is asked to receive and note the report and review any areas escalated by the Committee to the Board.

3. Associated Risks

N/A

4. Equality and Diversity Impact Assessment (if applicable)

An impact assessment is not applicable given the subject of this paper.

1. Background

To provide the Board with a summary of significant items considered by the Audit and Risk Committee meeting in advance of the approved minutes being submitted to the next Board meeting in December 2023.

2. Current Situation/Assessment

The Chair welcomed Sharon Morrow as the new Vice Chair following Stephen Graham's resignation in July 2023. There is currently one Non-Executive Board Member vacancy on the Committee.

The Committee considered, noted or approved the following:

- **2023 – 24 Committee TOR and Workplan**

The Committee approved the updated TOR and current Workplan for submission to the Board. The workplan may be altered subject to review by Alan Ritchie, the new Vice Principal, Finance & Infrastructure.

- **Internal Audit – Wylie & Bisset, 2022-23 Follow Up Review**

The Committee noted the College has fully implemented each of the five outstanding recommendations from 2021/22

- **Internal Audit – Wylie & Bisset, Student Enrolment Procedures – Disclosure of Criminal Convictions**

The Committed noted the positive report and the level of assurance received:

  - The College has a detailed and robust Student PVG procedure, with no recommendations being required.
  - There is a strong level of assurance that the College is handling cases where students have criminal convictions effectively and that appropriate risk assessments are taking place.
  - This includes where students are changing courses and/or attending placements where PVG checks will be required.
  - There is a strong level of assurance that the College is making available relevant information to students and staff regarding safeguarding, making referrals and how to raise concerns.

- **Internal Audit – Wylie & Bisset, 2022-23 Annual Report as at September 2023**

The Committee warmly welcomed this Annual report and noted:

  - The College has adequate and effective risk management, control and governance processes to manage the achievement of its objectives, and to promote and secure value for money.
  - All KPIs were at 100%.

- **Internal Audit – Wylie & Bisset, Budgeting & Monitoring Report 2023-24**

The Committee noted the report and the progress to date:

  - The College Board and Senior Management receive sufficient reporting of performance against budget and against plans throughout the year to enable informed decision making.
  - There was one low-rate recommendation regarding offering ongoing training for budget holders.

- **2023-24 Corporate Risk Register (V1) as at September 2023**

The Committee recommended 2023-24 Corporate Risk Register (V1) as at September 2023 to the Board for approval. The Chair commended the management team on the effective management and mitigation of risk, and in particular regarding the Willie Mackie Skills Hub budget risk reduction.

3. Proposals and Recommendations

The Board is asked to receive and note the report and review any areas escalated by the Committee to the Board.

4. Risks

N/A

5. Resource Implications

No further resource implications require to be noted.

6. Equality and Diversity Impact Assessment

N/A

7. Sustainability

N/A

8. Consultation/Input

Chair & Vice Chair ARC, Board Governance Adviser.

Steven Wallace
Chair, Audit and Risk Committee
24 October 2023

This paper will be published on the College website.

Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

(Paper 10)

SFC GUIDANCE REFERENCE:

SFC/GD/25/2023 **ISSUE**

DATE: 17/08/2023

SFC Guidance to Colleges and Universities on Quality AY 2022-23 and AY 2023-24: Refresh

SFC Guidance to Colleges and Universities on Quality AY 2022-23 and AY 2023-24: Refresh

Issue Date:	17 August 2023
Reference:	SFC/GD/25/2023
Summary:	This guidance is to inform Scotland's colleges and universities of refreshed quality arrangements for AY 2022-23 and AY 2023-24.
FAO:	Principals of Scotland's colleges and universities, Quality managers and practitioners at Scotland's colleges and universities, and the general public.
Further Information:	**CONTACT:** Derek Horsburgh **JOB TITLE:** Senior Policy/Analysis Officer, Quality and Learning **DIRECTORATE:** Access, Learning and Outcomes **TEL:** 0131 313 6649 **EMAIL:** dhorsburgh@sfc.ac.uk

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SFC Guidance to Colleges and Universities on Quality AY 2022-23 and AY 2023-24: Refresh

Purpose

1. The purpose of this refreshed guidance is to inform Scotland's colleges and universities and other stakeholders of the Scottish Funding Council (SFC) guidance on quality for AY 2022-23 and AY 2023-24.

2. For colleges, the information set out in this Guidance is developed with Education Scotland (ES). This Guidance outlines arrangements for external institutional review and thematic review. Full details of these arrangements will be published separately by Education Scotland. Colleges are also expected to consider curriculum developments and the contribution of support services to the student experience as part of their own self-reflection on quality. Separate arrangements exist for quality assurance processes required by awarding bodies. We have also set out information on engagement with the Tertiary Enhancement Topic and scoping for future enhancement activity from AY 2024-25.

3. For universities, the information set out in this Guidance outlines arrangements for external institutional review, QESR (Quality Enhancement and Standards Review and Institutional Liaison Meetings, outlined below), Institution-led Review (ILR), engagement with the Tertiary Enhancement Topic and scoping for future enhancement activity from AY 2024-25, public information on quality and the student experience and institutional reporting on quality. The arrangements for external institutional review have been developed by Quality Assurance Agency (QAA) to be delivered across two phases (from paragraphs 60) to ensure continued compliance with European Standards and Guidelines (2015). SFC has committed to ensuring compliance with ESG as part of its developing tertiary quality arrangements. Full details of arrangements for external institutional review (Phase 1 of QAA Scotland's arrangements) are available on the QAA Scotland website.

New for AY 2023-24

4. SFC has reviewed and updated this guidance in advance of AY 2023-24 to reflect and respond to the development of new tertiary arrangements for quality assurance and enhancement to be implemented from AY 2024-25. Recognising that this Guidance covers a period of transition for both sectors, we have made only a small number of necessary changes and clarifications for AY 2023-24. These are highlighted below for ease of reference:

- Update on progress with developing student partnership models and reference points, paragraphs 20-23.
- Expectations around engaging with the design and delivery of a new approach to external review and a new approach to impactful enhancement activity across the tertiary system, paragraph 27.
- Ad hoc requests on information about the way institutions are securing academic standards and the student learning experience, paragraph 28.
- Updated guidance for colleges and universities on reporting on quality for AY 2023-24, paragraph 29.
- Update on revised Outcome Agreement guidance for AY 2023-24, paragraph 31.
- New guidance for universities on external institutional review of transnational education, (TNE) for AY 2023-24, from paragraph 65.
- Clarification around SFC's expectations for professional support services review as part of institutional-led review in the university sector for AY 2023-24, paragraph 79.

5. Regular updates on progress with the development of the Tertiary Quality Project will be provided on the Tertiary Quality Project website throughout the coming year.

Section 1: Introduction

Overview

6. The Further and Higher Education (Scotland) Act 2005 sets out SFC's duty to secure coherent, high-quality fundable further and higher education, and to ensure provision is made for assessing and enhancing the quality of this provision.

7. Up until 2022 the SFC met this statutory duty through two frameworks for quality in the college and university sectors. *How Good is our College* (HGIOC) and the *Quality Enhancement Framework* (QEF) supported self-assessment, improvement and enhancement, and the sharing of good practice in the college and university sectors, respectively, in Scotland. It is through these frameworks that SFC supported institutions to manage the quality of student learning experience and uphold public confidence in academic quality and standards. Evidence from the quality arrangements contributed to broader SFC interactions with colleges and universities, in particular, Outcome Agreement discussions.

8. This guidance outlines interim quality arrangements for AY 2022-23 and AY 2023-24, developed in partnership with ES and QAAs, and gives our colleges and universities clarity and consistency while also allowing appropriate flexibility for continued development of a tertiary approach to quality outlined in SFC's Review.

Context: SFC Review of Coherence and Sustainability

9. The final report of SFC's Review of Coherence and Sustainability published in June 2021 sets out our response to Scottish Ministers' request that we review how we might best fulfil our mission to secure coherent, good quality, and sustainable tertiary education and research.

10. The overarching ambition outlined in the review report is to make Scotland the best place to be a student at college or university. To support this ambition the review report makes a specific recommendation to:

> *'develop a single quality assurance and enhancement framework for tertiary education, to uphold academic standards, and enhance the learning experience of all students'*

11. SFC wishes to see a more coherent approach to quality assurance, improvement and enhancement across the college and university sectors that supports public confidence and reflects our ambition for a more integrated tertiary system supporting seamless learner journeys. It is also our ambition to foster closer collaboration and joint working between and across partner agencies to support this.

12. The Scottish Government has welcomed SFC's proposed development of a single quality framework that:

- Strikes the appropriate balance between assuring and enhancing the quality of tertiary provision.
- Recognises the distinct contribution as well as the interconnectedness of each part of the tertiary education system.

13. SFC has worked with ES and QAAS to develop quality arrangements for AY 2022-23 and AY 2023-24 which will support quality assurance, improvement and enhancement while also allowing flexibility to work with stakeholders and the sectors to develop a new single tertiary approach over the same period. This will allow SFC and its partner quality agencies to co-create, test and adjust any new arrangements with the sector, and will provide sufficient lead-in time for colleges and universities to make the required preparations for the new approach.

14. New arrangements for a common approach to quality assurance and enhancement across colleges and universities are expected to commence in AY 2024-5.

Section 2: shared sector expectations for AY 2023-24

Quality culture

15. Institutions should demonstrate a strategic approach to quality assurance, improvement and enhancement which has a clear focus on outcomes for students. This approach should be supported by a 'quality culture' throughout the institution where responsibility for provision and outcomes for students is not only the responsibility of staff with quality roles but is shared institution-wide. A quality culture can further be defined as demonstrating clear alignment between the institution's strategy on quality assurance, improvement and enhancement and day-to-day practice, where buy-in across the institution from staff and students is evident and where this culture informs activity at all levels.

16. Institutions should reflect, at institutional level, on strategic issues arising from their regular quality processes and make use of this information as part of their overall strategy and strategic approach to quality assurance and enhancement.

17. Institutions have flexibility in the precise manner of addressing this expectation, but it is expected that a culture of quality assurance, improvement and enhancement should be clearly evidenced across an institutions' policies and practices.

18. As part of their engagements with institutions, SFC has asked ES and QAAS to explicitly consider, through external institutional review and supporting activity, the ways in which institutions demonstrate a quality culture.

19. SFC expects each institution to engage with its quality agency partners in an open and transparent way. Institutions should share good practice and success and should also share and address challenge areas at the earliest opportunity within the quality review process, demonstrating a commitment to an effective quality assurance, improvement and enhancement approach.

Student partnership

20. Student partnership and engagement in quality processes is a fundamental characteristic of our approach to quality assurance, improvement and enhancement in our colleges and universities in Scotland. *Student Partnerships in Quality Scotland* (spargs) assists and supports students, students' associations and institutions to improve the effectiveness of student engagement in quality assurance, improvement, and enhancement across Scotland.

21. The sparqs Student Engagement Framework for Scotland is endorsed and owned by all the sector agencies and representative bodies in the college and university sectors. It sets out expectations and features of student engagement. SFC's expectation is that all institutions will work with the Framework in their own context and will develop their partnership approaches with students and student representatives to enhance student partnership. Institutions should ensure that there is a coherent and effective strategy in place for this activity. SFC expects institutions to be ambitious in seeking opportunities for student partnership in the co-creation of learning; to empower students to use evidence to enhance their own learning; to extend engagement to new groups of students; and to support and develop the role and capacity of Student Association staff to build sustainability and maintain continuity of support for student officers.

22. SFC will seek assessments from sparqs, ES and QAAS on the effectiveness of how students and student representatives are engaged in quality arrangements for AY 2023-24.

23. SFC will also work with sparqs in AY 2023-24, in the context of our Review recommendation for quality, to strengthen student partnership in quality and to develop sector reference points with students for use within the new tertiary quality arrangements. In AY 2022-23, SFC commissioned sparqs to refresh its Student Learning Experience and Student Partnership models with a view to these being integral to the tertiary quality arrangements being implemented from AY 2024-5. During AY 2023-24, sparqs will test these models across the tertiary sector and work with the quality agencies to consider how best to integrate these within the new common approach to quality assurance and enhancement.

Tertiary Enhancement Topic continuation in AY 2023-24

24. SFC recognises that the college and university sectors undertake a variety of improvement and enhancement activity, both within institutions and at a sector-wide level. Arrangements for next year will continue to support these activities.

25. Based on review work in AY 2021-22, in AY 2022-23, SFC's quality agency partners outlined aspects of the digital learning environment as continuing to require focus. In addition, Education Scotland highlighted links between aspects of digital learning and student outcomes, retention, and attainment.

26. During AY 2023-4, institutions will be expected to continue to engage in the Tertiary Enhancement Topic, *'The future of learning and teaching: defining and delivering an effective and inclusive digital/blended offering'*, that commenced in AY 2022-23. It is intended that this work, as well as having sector-wide benefit, will be of value to individual institutions, supporting enhancement and allowing for the development of a

sector-wide evidence base to inform improvements to learning opportunities and to enhancement of the student experience. QAAS, ES and sparqs will continue to work closely with institutions, academic staff, support staff and students from across the college and university sectors on the Tertiary Enhancement Topic.

Tertiary external review method and enhancement approach

27. SFC has commissioned QAA (working closely with Education Scotland) to lead on the development of a multi-year quality cycle involving peer-led external review of colleges and universities, and the development of effective ways of designing and delivering impactful enhancement activity across the tertiary system. Colleges and universities will be expected to proactively engage with this work to help shape how external review and tertiary enhancement are delivered within the new tertiary quality arrangements from AY 2024-25. These new arrangements will be outlined in the SFC Guidance to colleges and universities on quality published in AY 2024.

Ad hoc requests on information about the way institutions are securing academic standards and the student learning experience

28. Exceptional circumstances arise that have the potential to significantly impact on the way institutions are securing academic standards or the student learning experience, for example the marking and assessment boycott. In such cases SFC may request, either directly, or through the quality agencies, such information from institutions necessary to meets its statutory duties as set out in paragraph 6, or to respond to requests for advice from the Scottish Government. In these cases, the SFC will work with relevant stakeholders to ensure that requests are proportionate and timely.

College and university reporting on quality for AY 2023-24

29. As part of the development of the new common approach to quality assurance and enhancement, all colleges and universities will be expected to complete a Self-evaluation and Action Plan (SEAP) for submission to SFC and the quality agency by the 30 November 2024. The specific detail of these reports and an associated template is under development and is being led by the respective Chairs of The Quality Forum (university) and CDN Quality Network (college). They are, however, likely to include a summary of institutional quality assurance and enhancement activities; an evaluation of key data and evidence; and a strategic action plan identifying areas for improvement and enhancement. It is intended that the SEAP will replace some other forms of reporting to SFC and so reduce the reporting burden on institutions. It is also intended that they will be used to facilitate annual engagements between institutions and the quality agency and form part of the documentary evidence for the periodic external peer reviews.

30. Following an initial pilot with volunteer institutions in Autumn 2023, the final template and guidance will be shared in Spring 2024. For university reporting on quality in the current academic year (2022-23) please see guidance at Section 5 of this document.

Outcome Agreements

31. SFC's revised Outcome Agreement guidance for AY 2023-24 asks colleges and universities to provide a summary on how they will demonstrate that students at all levels experience a high-quality, safe, and supportive learning experience that enables them to succeed. This should include information on student participation and engagement in their educational experience and their plans to enhance the student experience, considering the evidence for enhancement.

Section 3: Arrangements for Colleges AY 2023-24

32. This section outlines the approach to support quality assurance, improvement and enhancement in the college sector. It sets out how Education Scotland will plan and implement external quality reviews, public accountability, and enhancement in Scotland's colleges in AY 2023-24.

33. SFC expects that colleges will continue to undertake appropriate quality monitoring processes required by the awarding bodies for the qualifications that they offer, and report on high-level commitments, impacts and outcomes around high-quality learning, teaching and support in their Outcome Agreements with SFC.

On-going engagement with a link HM Inspector

34. Education Scotland HM Inspectors (of Education) will continue to engage with all colleges to provide tailored support and challenge. This may be undertaken either virtually or through in-person visits as required. This engagement will also provide valuable insight into the challenges faced by the college sector, the development and capacity building needs of each college, and the nature of individual colleges' response to improvement and enhancement.

Annual Engagement Visits (AEV)

35. Education Scotland HM Inspectors will undertake AEVs in colleges where, based on the outcomes of previous engagement with HM Inspectors, there is clear progress against priorities, or where SFC and/or HM Inspectors have not identified any aspects of performance requiring further exploration. AEVs will be short visits lasting typically one day on-site. AEVs will be undertaken by the college link HM Inspector, supported by HM Inspector colleagues, Associate Assessors (AA), and Student Team Members (STM) as appropriate.

36. AEV dates will be planned collaboratively between the college and the link HM Inspector.

37. On conclusion of the AEV, colleges will receive an initial verbal report. For multi-college regions, a representative of the Regional Strategic Body (RSB) will be invited to attend.

38. A subsequent written report will be produced and shared with the college and SFC. For multi-college regions the report will also be shared with the RSB. At this point, a short statement confirming the outcomes of the AEV and any next steps will be published.

39. AEV outcomes will inform future engagement approaches with individual colleges.

Progress Visits (PVs)

40. PVs will be undertaken in colleges where areas for improvement and enhancement requiring further progress were identified during previous engagement with HM Inspectors, or where both SFC and HM Inspectors identify aspects of performance requiring further exploration. PVs will identify what is working well and where further improvement may still be required. They will also consider key indicators of performance, and their impact on the learning experience. PVs will commence in Autumn 2023.

41. PVs will be managed by a lead HM Inspector accompanied by HM Inspector colleagues, one of whom will be the college link Inspector. AAs and STMs will also support PVs. The size of team and duration of the visit will be adjusted to recognise the context of the college.

42. PVs will usually be carried out across two to three days and a visit schedule will be agreed with colleges in advance.

43. PVs will be planned collaboratively between the college, HM Inspectors and SFC. Prior to the visit, colleges will have the opportunity to provide relevant PV updates, identified through self-evaluation, to reflect the progress made and highlight any changes in circumstances. PV planning will be intelligence-led. Pre-visit planning discussions will be held with SFC and sparqs and will consider a range of evidence.

44. Throughout the visit, team members will involve managers and staff in professional dialogue, with the aim of supporting improvement. Through this approach HM Inspectors will work with college staff and should ensure that the visit experience is a collaborative process.

45. On conclusion of the PV, the college will receive an initial verbal report of their findings. For multi-college regions, a representative of the RSB will be invited to attend.

46. A subsequent written report will be produced and shared with the college and SFC. For multi-college regions the report will also be shared with the RSB. At this point, a short statement confirming the outcomes of the PV and any next steps will be published. PV outcomes will inform future engagement approaches with individual colleges.

Supporting enhancement and improvement: Thematic reviews

47. In order to support improvement in aspects of college sector performance, HM Inspectors will undertake a programme of thematic reviews.

48. Thematic reviews may be carried out at college, regional or national level. The footprint of each thematic review will be adjusted to take account of the scale and reach of institutions. This will support the evaluation of approaches and impact, providing depth of intelligence about the individual organisations involved, along with providing information to inform capacity building and future approaches to improvement and enhancement. The thematic reviews will provide opportunities for collaborative working with partner quality bodies, for example QAA Scotland in evaluating the quality of provision and capacity for improvement.

49. The symbiotic relationship between tertiary education providers in contributing to the education and skills pipeline is a key component of the proposed arrangements. Early implementation of the thematic assignments will support an incremental approach to strengthening arrangements between providers to avoid unnecessary duplication while building on existing strengths.

50. The proposed arrangements are designed to enable post-16 providers and national bodies that have a locus in assuring and improving the quality of provision, to adjust and adapt to future arrangements.

51. The approach seeks to strengthen the collective knowledge of institutions to meet current and projected economic priorities at local, regional and national levels. The findings of HM Inspectors and other bodies will be instrumental in developing the focus and scope of reviews. The approach also seeks to build incrementally the capacity of practitioners across tertiary organisations to engage collaboratively in implementing future arrangements to improve outcomes for learners. In the longer term, the approach will ensure a coherent and sustainable national approach that is founded on continuous improvement and avoidance of unnecessary duplication.

52. HM Inspectors will also seek to identify and share examples of highly effective practice, highlight what is working well and make recommendations about what needs to improve.

53. Aspects for exploration, timing and participation in thematic reviews will be agreed with SFC and colleges in advance.

54. A written report will be produced for each thematic review and shared with the college(s) and SFC. National thematic review reports will be published on Education Scotland's website.

Credit rated provision

55. For colleges with credit rated provision (credit rated programmes on the Scottish Credit and Qualifications Framework (SCQF) database), the quality assurance of credit rating activities is carried out by SCQF Partnership though a four-year cycle of review work.

Section 4: Arrangements for Universities AY 2023-24

56. This section outlines the approach to support quality assurance, improvement and enhancement in the university sector. It sets out how QAA Scotland (QAAS) will plan and implement external quality reviews, public accountability, and enhancement in Scotland's universities in AY 2023-24.

57. During AY 2023-24 QAAS will undertake the following activities in universities: Quality Enhancement and Standards Review (QESR) and Institutional Liaison Meetings (ILM) (see paragraphs 53-55). The full details of these arrangements will be made available on the QAA Scotland website.

58. A summary report of each ILM will be shared with the institution and made available to SFC to provide context for any advice or assurance sought from QAA Scotland. As part of QAAS's formal in-year meetings with SFC, QAA Scotland will provide an update on the outcomes of recent QESRs and ILMs. In the case of either a QESR or an ILM indicating that there may be a serious issue that could impact on the university's ability to meet expectations on the management of academic quality and standards, the university will first be alerted to the need to report this to the SFC. QAA Scotland will also include reflections on QESR and ILM on an annual basis as part of formal reporting to SFC. QESR reports are published on the QAA website.

59. SFC also has expectations of universities in undertaking regular quality processes as part of their strategic approach to quality assurance, improvement and enhancement. These expectations are set out below.

External institutional review: Quality Enhancement and Standards Review (QESR) and Institutional Liaison meetings (ILM)

60. QAA Scotland developed a new external institutional review method following the completion of the fourth cycle of Enhancement Led Institutional Review (ELIR), delivered between 2018 to 2022. This includes, as part of Phase 1, Quality Enhancement and Standards Review (QESR) which looks at each institution's strategic approach to quality assurance, improvement, and enhancement.

61. QESR and ILM in the period AY 2022-24 constitute Phase 1 of the next external institutional review cycle, in which activity will take place to inform a second stage, Phase 2, that will begin in AY 2024-25 when new tertiary quality arrangements are expected to commence.

62. Phase 1 is taking place across a period of two years, AY 2022-23 and AY 2023-24. In each of the two years, approximately half of the institutions will undergo QESR with

the remainder engaging in an ILM led by QAAS. QESR and ILM dates will be planned collaboratively between QAAS and universities.

63. Key features of Phase 1 will include:

- Self-evaluation by each higher education institution.
- Engagement informed by sector reference points.
- The involvement of peer and student reviewers on at least one occasion, including a site visit. (Note, site visits can be conducted online or in person).

64. The outcomes for Phase 1 will include published reporting on QESR based on the institution's ongoing approach to quality assurance, improvement, and enhancement. A summary of key themes and action points with be shared by QAA with the institution after each ILM. The findings of Phase 1 will help inform the schedule for Phase 2 review activity, commencing in AY 2024-25.

External institutional review: Transnational Education (TNE)

65. In July 2020, Universities UK (UUK) and GuildHE commissioned QAA to develop a new approach to reviewing and enhancing the quality of UK TNE. In consultation with the sector, QAA developed its new method for the Quality Evaluation and Enhancement of UK transnational education (QE-TNE). The method is a UK-wide enhancement-led approach.

66. The process is designed to provide confidence for the wide range of international stakeholders, showing the care the UK has for the quality of the student experience and consistent standards of UK awards.

67. The review programme consists of a published schedule of country-specific activity, while the quality enhancement approach is designed to identify shared challenges, areas for development and effective solutions, through highlighting innovative and effective practice. This approach will complement internal and external quality assurance within the UK and provide confidence for the wide range of stakeholders, both in the UK and internationally.

68. Universities participating in QE-TNE will also be listed on the QAA website as participants of the Scheme, and they, and their international TNE partners, will be eligible to use QAA's QE-TNE Kite Mark as a public statement of their commitment to quality.

69. SFC encourages all Scottish degree awarding bodies engaging in TNE to participate in QE-TNE from AY 2023-24. SFC will make participation in QE-TNE a requirement for

Scottish degree awarding bodies engaging in TNE from AY 2024-25. The cost of participation should be met by institutions.

Institution-led Review

Annual and periodic review

70. The primary mechanism by which institutions assure and enhance the quality of provision is through processes of institution-led evaluation and review, referred to generically as 'Institution-led Review' (ILR). It is a matter for each institution to determine how it organises its internal processes for reviewing and evaluating provision, provided it follows this SFC guidance and the UK Quality Code.

71. SFC expects each institution to operate systems of annual monitoring and periodic ILR across the full range of its provision. ILR should consider the effectiveness of annual monitoring arrangements and the effectiveness of the follow-up actions arising from annual monitoring. Reporting at the course/module, programme, subject or departmental level should identify action to address any issues and activity to promote areas of strength for consideration at institutional level. The ILR method should be designed to allow constructive reflection on the effectiveness of an institution's annual monitoring and reporting procedures.

72. All aspects of provision are expected to be reviewed systematically and rigorously on a cycle of not more than six years to demonstrate that institutions meet the expectations set out in the UK Quality Code, and the standards set out in part 1 of the European Standards and Guidelines (2015).

73. It is vital that ILRs continue to produce robust, comprehensive and credible evidence that the academic standards of awards are secure and that provision in Scottish institutions is of high quality and being enhanced. ILR should be designed to promote and support critical reflection on policy and practice. The method used should ensure that any shortcomings are addressed, and it should give a central role to quality enhancement by promoting dialogue on areas in which quality could be improved and identify good practice for dissemination within the institution and beyond.

Scope, frequency and unit of review

74. All credit bearing provision should be reviewed on a cycle of not more than six years, including all undergraduate and taught postgraduate awards, supervision of research students, provision delivered in collaboration with others, transnational education, work-based provision, and placements, online and distance learning, and provision which provides only small volumes of credit.

75. Each institution is expected to produce an ILR review schedule. However, the timetable is constructed, there should normally be some form of ILR activity taking place within each academic session.

76. There is flexibility for institutions to determine the precise order and aggregation of programmes and subjects in ways which provide coherence and fit the organisational structure, mode of delivery and enhancement-led approach. The unit of review in the ILR process should have sufficient granularity to allow adequate scrutiny of programmes and disciplines including ensuring there is adequate external scrutiny at the discipline level by the external panel member(s). Excessive aggregation should be avoided if it means the process cannot examine the 'fine structure' of provision and does not facilitate the identification of specific issues affecting programmes.

Team size and composition

77. ILRs should provide an objective review of provision based on an understanding of national and international good practice and appropriate external reference points, including for example, subject benchmarks statements, professional, statutory and regulatory body (PSRB) requirements. Each review team should include a student and at least one member external to the institution with a relevant background. Such members may come from across the UK, from industry, professional practice or may have wider international experience and should be suitably trained in the institution's ILR process. Team size and composition must take account of the range and volume of provision to be reviewed and the balance between understanding of specific context and broader critical perspectives. It is good practice to ensure that review teams can bring a range of experience to the process and hence are able to act as 'critical friends' to the institution.

78. ILR should be designed to include an element of reflection on national and international good practice, such as a reflective statement from the institution on how its provision compares with similar practice outside the UK. Institutions are encouraged to consider how they can support such informal 'benchmarking'. SFC does not expect ILR teams to routinely include members from outside the UK although institutions are encouraged to actively consider the scope for this option.

Contribution and role of support services

79. All services contributing to the student experience should be reviewed as part of an institution's approach. Support services are of crucial importance in determining the overall quality of the student learning experience and can impact significantly on student achievement and well-being. It is a matter for each institution to determine how this should be done. Nevertheless, SFC expects that institutions' approaches to the review of professional support services should be systematic, planned and timely, covering all non-academic services or departments that contribute to the overall

student learning experience and considering their effectiveness and interactions with academic units. The arrangements for reviewing professional support services should have sufficient granularity to allow for adequate scrutiny of each aspect of the services provision and include sufficient scrutiny by external panel members. Whatever the approach taken, the evidence should allow the institution to reflect on the contribution of support services to the 'quality culture' within the institution (see section at page 9), the ways in which the services engage with students to monitor and improve the quality of services, and the ways in which the services promote high quality learning and continuous quality enhancement. It is expected that students will be engaged throughout the review of support services. Resources to support the development of Professional Services Partnerships were developed by QAAS in the AY 2021-22 Focus On project in AY 2021-22 and are available on the QAAS website.

Student engagement in ILR

80. Institutions are expected to continue extending student engagement and partnership in quality in line with the Student Engagement Framework for Scotland. It is expected that students will be engaged at all stages of the ILR process including the development of the self-evaluation, as full members of ILR teams, and in follow-up activity.

81. ILR should gather additional specific information from students as part of the evidence base for reviews. Institutions have flexibility in deciding how to achieve this, taking account of the specific demographics of their student population and the characteristics of their provision. In line with previous guidance, it is good practice for ILR to:

- Generate holistic evidence about student views of provision and of their learning experience.
- Differentiate between the views of different categories of students where these are likely to be significant (for example part-time and full-time, students from different levels of programme, entrants from school and entrants from further education, and consider issues relating to equality and diversity, etc).
- Allow identification of distinctive characteristics of provision.
- Take account of the views of recent graduates on the relevance of provision for their careers.

Use of external reference points

82. ILR should explore the use of specific aspects of the UK Quality Code, and especially how Subject Benchmark Statements, Characteristics Statements and Credit and Qualifications Frameworks – as represented by the Scottish Credit and Qualifications Framework (SCQF) – are used in setting and maintaining academic standards. ILR

should demonstrate that programme design and learning outcomes are consistent with them.

83. ILRs should continue to support effective learner pathways through higher education, including embedding and developing the use of the SCQF. ILR should be designed to promote scrutiny and discussion of the institution's approach to the SCQF. This should include consideration of strategies for articulation and advanced standing, for the recognition of prior learning and through flexible pathways to awards, including CPD and work-based learning.

Use of data and evidence

84. Both annual monitoring and ILR should consider: themes arising from, and responses to, external examiner reports; internal and external student survey data; performance data on recruitment, progression and achievement; and data trends. Data is likely to be benchmarked against other areas of the institution's activities as well as equivalent provision in other institutions.

Relationship with PSRB accreditation

85. A significant volume of provision in Scottish universities is accredited by professional, statutory, and regulatory bodies (PSRBs). SFC expects ILR to reflect on the outcomes of relevant PSRB accreditations. Institutions are encouraged to engage with PSRBs to explore appropriate ways of aligning PSRB activity with ILR. This might include the use of common documentation or joint processes which meet the needs of both ILR and external accreditation.

Inter-relationship with other elements of quality and enhancement arrangements

86. An enhancement-led approach is a fundamental characteristic of our approach to quality assurance, improvement and enhancement in Scotland, and we encourage institutions to continue to develop ILR processes which also:

- Promote dialogue on areas in which quality might be improved and consider how developing the use of evidence can contribute to enhancing the student experience.
- Identify good practice for dissemination within the institution and beyond.
- Encourage and support critical reflection.

87. ILR processes are subject to scrutiny through external institutional review. ILR should evidence the use of public information by institutions and how they seek to engage their students in quality and in their learning.

Public information about quality and the student experience

88. It is SFC's intention to develop and enhance the use of data and evidence in how we account for public investment in Scotland to deliver high quality learning, and to consider this as a new tertiary approach is developed. The established guiding principles for Public Information about the quality of educational provision and the student experience are to provide:

- Assurances about the quality and standards of provision.
- Information to inform student choice, and to assist employers and other stakeholders to clearly understand the nature of the Scottish university sector.
- Information which helps current students to understand, engage with and make best use of institutional systems for quality improvement.
- Information about the institution's educational processes which stimulates reflection on academic practice and the sharing of good practice within the institution and more widely.

89. Information should be:

- Accurate and honest.
- Accessible and tailored to the needs of the intended user.
- Updateable on appropriate timescales (which may vary from annually to daily in different contexts).
- Re-usable so that, ideally, information can be entered once and used in a range of contexts.

90. SFC expects institutions to continue to produce information that meets the needs of a range of stakeholders including:

- Prospective students and their families.
- Current students.
- Employers and employer organisations.
- Professional, statutory and regulatory bodies.
- SFC, QAA, the National Union of Students, and other interested bodies or agencies, as proxies for Ministers, taxpayers, and the general public.
- Competition and Markets Authority.

91. The UK funding bodies continue to collect data at course-level and to publish this on Discover Uni, the official source of information for students in the UK using official statistics about higher education courses taken from national surveys and data collected from universities and colleges about their students.

92. Universities are expected to continue to participate in the National Student Survey (NSS) as a condition of funding.

Section 5: Universities reporting on quality for AY 2022-23

Content and scope of annual report and statement of assurance on institution-led review (ILR)

93. SFC asks institutions to provide an annual report on ILR and enhancement activities, signed off by the governing body. QAA Scotland will continue to provide an annual summary of key themes from these reports to the SFC, covering all fundable education institutions.

94. SFC does not publish annual ILR reports, although under the terms of the Freedom of Information (Scotland) Act 2002 we may be obliged to consider releasing information in response to a request. SFC uses ILR reports to inform its overall understanding of how institutions are managing quality, and as evidence to provide assurance to Ministers on the effective use and impact of public investment in learning and teaching at the institutions we fund. It is our intention to strengthen this aspect of our quality arrangements and we will engage with institutions on the development of our approach.

95. Each institution should provide an annual ILR report by 30 September 2023, endorsed by its governing body, which describes the scope, nature and outcomes of ILR activities, as well as of reviews by PSRBs, which have taken place in the previous academic year, including commentary on actions taken to address issues identified and highlighting good practice identified for dissemination.

96. The purpose of the ILR report is to give a high level, concise analysis of activities, highlighting the key findings, institutional actions and the impacts of these, sufficient to provide assurance to SFC that the institution is effectively managing quality assurance and delivering on enhancement.

97. The format of the annual ILR report is a matter for each institution to determine. We recommend that this should be a concise overview report, typically 6-10 pages, highlighting outcomes, impact and responses.

98. The annual ILR report should:

- Provide a summary of the ILR outcomes from the preceding AY including main themes, recommendations and/or commendations.
- Indicate the ways in which support services were reviewed or included in review processes, with regard to their impact on teaching, learning and the quality of the student experience.

- Indicate the role and nature of student engagement in ILR including at the self-evaluation stage during the AY.
- Provide a reflective overview, which highlights key findings from the reviews in the preceding year, comments on 'distance travelled' and identifies any significant outcomes or actions relating to development needs or to good practice resulting from ILR processes.

99. Across the full range of provision, the ILR report should summarise:

- Relevant contextual information and key messages derived from monitoring and analysis of performance indicators, benchmarks and other collected data, particularly those relating to retention, progression, completion, attainment and achievement, graduate destinations, and equality, diversity and inclusion.
- Reflection and key messages from qualitative and quantitative analysis of feedback from students (including the National Student Survey and external surveys of postgraduate students) and actions taken/planned as a result.

100. Institutions should provide an annex listing subject/programme areas which were reviewed by other bodies, for example, by PSRBs, during the academic year; and a copy of the institution's planned schedule of ILRs preferably for the full six-year cycle.

Governing body provision of annual statement

101. The ILR report should be considered by the governing body and include the formal annual statement of assurance to the SFC. The Chair of the governing body should sign off the statement of assurance and indicate when it was endorsed. The template for the statement of assurance statement is:

On behalf of the governing body of [name of institution], I confirm that we have considered the institution's arrangements for the management of academic standards and the quality of the learning experience for AY [year just elapsed], including the scope and impact of these. I further confirm that we are satisfied that the institution has effective arrangements to maintain standards and to assure and enhance the quality of its provision. We can therefore provide assurance to SFC that the academic standards and the quality of the learning provision at this institution continue to meet the requirements set by SFC.

How SFC and QAAS use annual reports

102. Annual reports on ILR are the main source of information on quality and learning and teaching in institutions provided to SFC, and SFC uses these reports principally to understand how institutions are managing quality. The ILR reports also assist SFC to

gain a more holistic understanding of how institutions are addressing policy priorities, such as widening access, progression and attainment. Institutions may therefore wish to draw on the information in their annual Quality Reports to inform their Outcome Agreements. QAA Scotland provides SFC with an analysis of these reports, and draws more broadly on them, alongside other evidence, as part of its annual reporting to Council. SFC uses this evidence as assurance and to inform broader discussions including Outcome Agreements. SFC will continue to ensure that the use of evidence from both processes is aligned, and that unnecessary reporting is avoided.

103. Institutions are expected to discuss their annual ILR reports as part of QESR activity and during ILM meetings with QAAS officers. In addition, institutions are encouraged to share information about current issues not only in the annual report, but also, where appropriate, through ad hoc briefings on a 'no surprises' basis. This might be particularly helpful where there is follow-up action to address any issues arising from an institution-led/PSRB review but might also deal with other issues which may emerge from time to time.

Issues of concern, action and reporting

104. Where external review and intelligence (including QESR, ILM, ELIR, and the Scottish Quality Concerns Scheme) identifies issues of significant concern, SFC will require institutions to prepare a detailed action plan to address the deficiency(ies) and to take urgent action, as necessary. Given the importance of governance and accountability in these cases, any such action plan should include commentary on how the governing body will be involved in the implementation and monitoring of the plan.