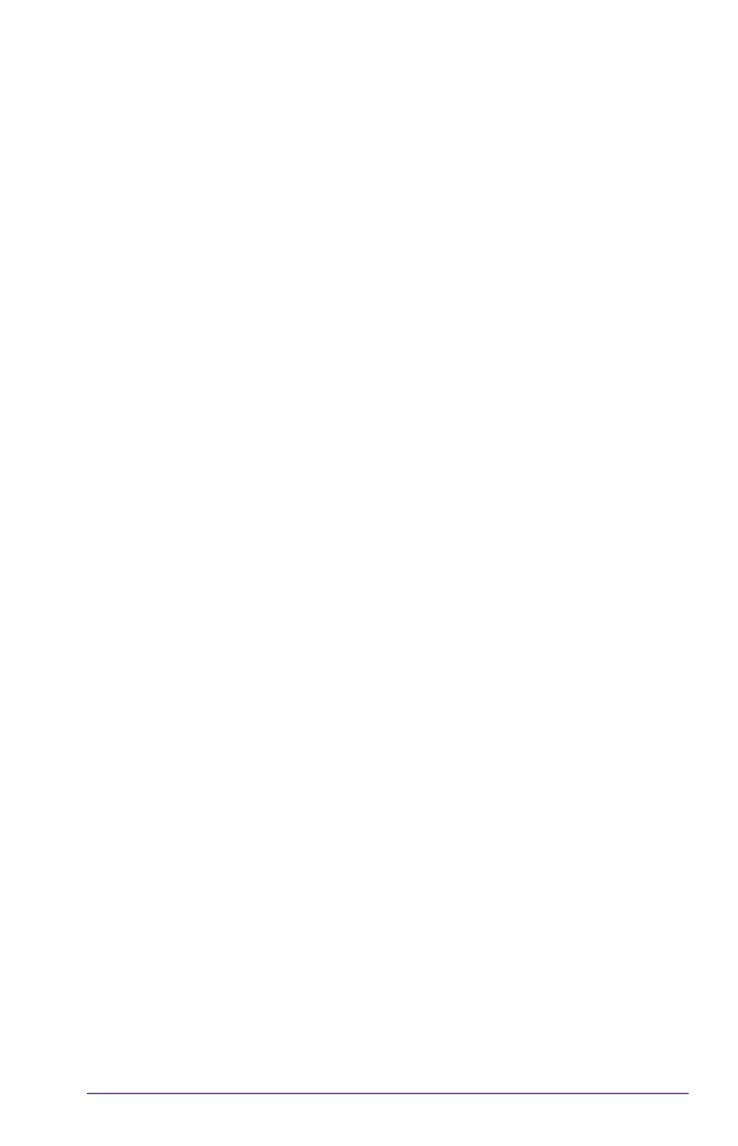# NORTH EAST SCOTLAND COLLEGE

Board of Management

Meeting of 08 December 2014

NOTICE OF MEETING

A meeting of the Board of Management will take place at 1400 hours on Monday 08 December 2014 in Room G10 at Aberdeen City Campus.

MEMBERS OF THE BOARD OF MANAGEMENT

Ms. A Bell
Ms. S Cormack
Mr. B Dunn
Mr. D Duthie
Mr. I Gossip
Ms. K Gravells
Prof. J Harper
Mr. J Henderson
Ms. C Inglis
Ms. D Michie
Mr. K Milroy (Chair)
Mr. D Rennie
 Ms. A Simpson
Mr. A Smith
Mr. S Smith
Mr. R Wallen
Ms. S Willox

IN ATTENDANCE

Mr. R Scott, Vice Principal Finance
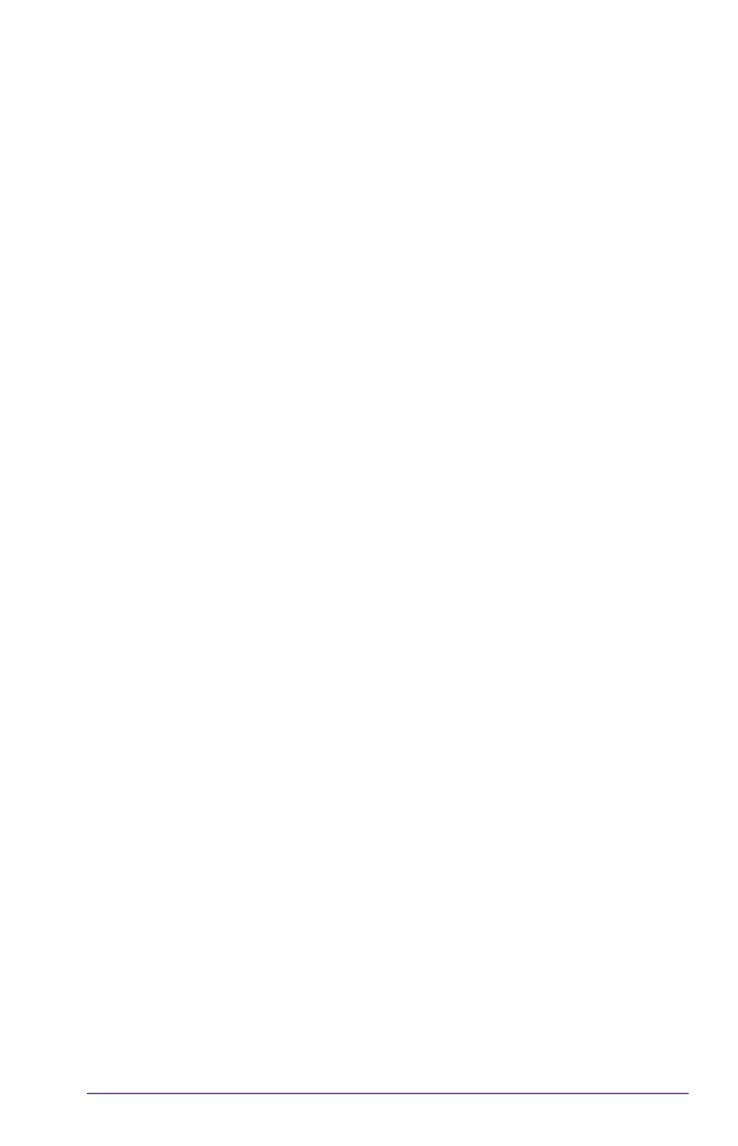Mr. P Sherrington, Depute Princiapl
Ms. P Kesson, Minute Secretary
Ms. P May, Secretary to the Board of Management

IN ATTENDANCE FOR AGENDA ITEM 2

Ms. A Gibb, Detective Sergeant, Police Scotland
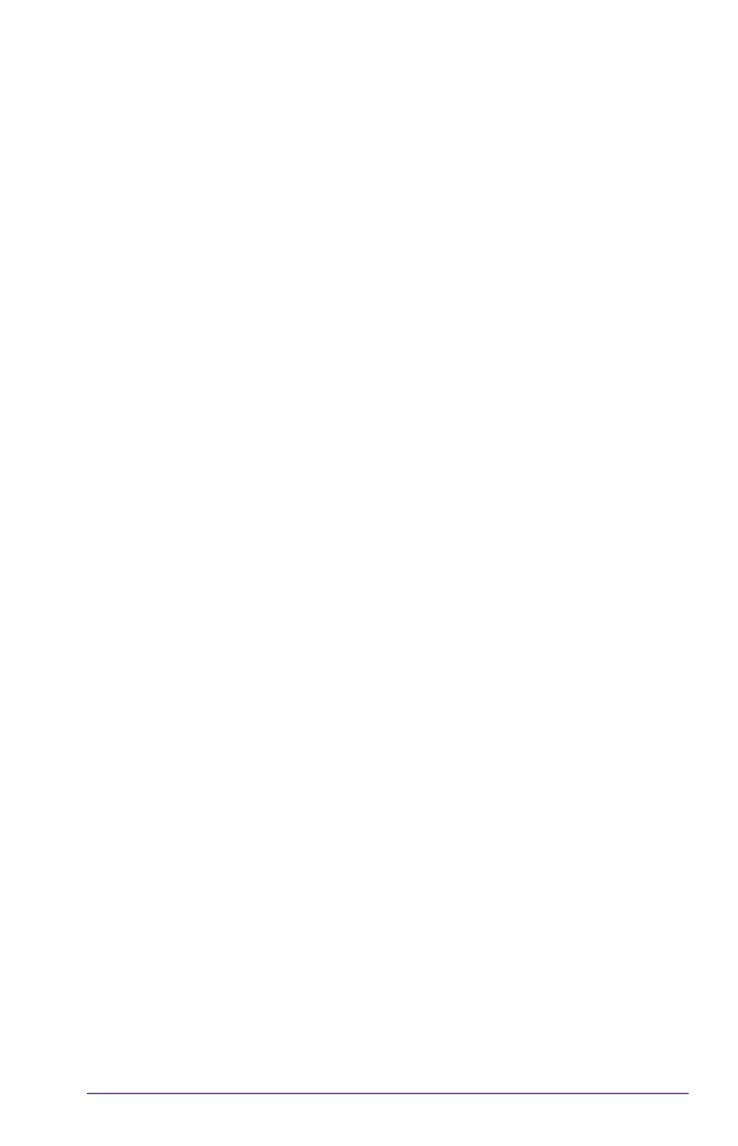Mr. G McBride, Assistant Director, SFC

08 December 2014

Agenda

1 **Apologies for absence**

2 **Presentation from Police Scotland – An Overview of CONTEST Prevent (paper enclosed)**

3 **Presentation from SFC – Demographic Places Model and New Funding Model**

4 **Minutes of previous meetings**
  4.1 Minute of the meeting of 16 September 2014 (paper enclosed)
  4.2 Minute of the Planning Event of 10 and 11 October 2014 (paper enclosed)

5 **Matter arising from previous meetings**
  5.1 To be raised at the meeting

6 **Report to the Board by the Regional Chair (paper enclosed)**

7 **Report to the Board by the Principal (paper enclosed)**

8 **Reports by Chair and Convenors**
  8.1 Meetings of Standing and Ad Hoc Committees (paper enclosed)

9 **Matters for decision**
  9.1 Revenue Budget (paper enclosed)
  9.2 Governance Manual (paper enclosed)

10 **Matters for discussion**
  10.1 Draft Strategic Plan 2015-16 (paper enclosed)
  10.2 Draft Outcome Agreement 2015-16 (paper to be tabled)
  10.3 Non-SFC Funded Activity (paper enclosed)
  10.4 Report by Investment and Project Committee (paper enclosed)

11 **Matters for information**
  11.1 SFC Action-learning Project Update (paper enclosed)
  11.2 Internal Audit Programme, 16 months to 31 July 2015 (paper enclosed)
  11.3 NESC Committee Structure (paper enclosed)

12 **Summation of Business and Date of Next Meeting**

Reserved Items of Business
13 **Matters for decision**
  13.1 Lease of Premises, Gordon Centre

14 **Matters for discussion**
  14.1 Meetings of Standing and Ad Hoc Committees – Reserved Items of Business
  14.2 ASET Limited – Report by Chair
  14.3 The Living Wage

15 **Matters for information**
  15.1 Principal's Performance Management
  15.2 Harmonisation Update
  15.3 SMT Structure

16 **Summation of Reserved Items of Business**

Presentation from Police Scotland – An Overview of CONTEST Prevent
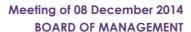
1 Introduction

1.1 The purpose of this paper is to provide information to the Board of Management as a precursor to a presentation by Detective Sergeant Audrey Gibb, of the Prevent Delivery Unit, Specialist Crime Division, Police Scotland. The presentation will detail the work being carried out in relation to security issues which may impact on the FE and HE education sector.

2 Background

2.1 Training in this area for the former Aberdeen College:

2.1.1 Project Griffin, which is primarily aimed at those who might be involved in a potential terrorist situation (i.e. suspect packages/evacuations), was run in February and April 2010. This full day course was attended by 35 staff and was targeted at those in security/janitorial, reception and health and safety role. It should be noted that most of the janitorial and security staff who attended this training have since left the College and therefore this training will need to be repeated.

2.1.2 Project Argus ran in August 2013. This three hour course is aimed at senior staff who are responsible for planning strategies for avoiding potential disruption or managing situations when they occur. Fourteen staff attended this training which was targeted at those with key roles in the Business Continuity Plan e.g. the SMT, Sector Managers, Faculty Managers.

2.1.3 Workshops for Raising Awareness of Prevent (WRAP) ran in July and August 2013. Two 2.5 hour sessions were held and were attended by 24 staff in total. This training is aimed at staff who might be the first to notice where students are being radicalised. Those attending were a mix of Guidance Tutors and Faculty Managers.

2.2 Training in this area for the former Banff & Buchan College:

2.2.1 Project Griffin was run in July 2013 for a target audience of all staff.

2.2.2 Two WRAP sessions were run in March and June 2013 – again the target audience was all staff.

2.2.3 Senior Management members attended the CONTEST Strategy Meetings in both Aberdeen City and Shire.

2.2.4 There was a range of training for staff and students – the biggest effort involved the WRAP training. Staff on all campuses were involved at all levels. The training was also undertaken by the Students' Association.

2.2.5 Estates staff and others also undertook the Project Griffin training - this was the Protect element of the programme relating to crisis management

3 Present Situation

3.1 The Depute Principal, Paul Sherrington, represents the College in both Aberdeen City and Shire in the developing CONTEST Strategy process (CONTEST is the Home Office Strategy to address terrorism).

3.2 The Board's Vice Chair, Doug Duthie, represents the College on the Multi Agency Advisory Group. This Group has been drawn together to discuss and propose strategies which could be implemented throughout Scotland in relation to radicalisation. The catalyst for this group was the reaction to a man, who once resided in Aberdeen, who joined the fighting in Syria.

3.3 At the request of the Vice Chair, the Chair, and the Principal, Police Scotland agreed to give a short presentation to the Board to clarify the work being carried out with the SMT and College staff in relation to possible actions which can be taken to address high level security issues which could impact on the College and its governance.

4. Recommendation

4.1 It is recommended that the Board receive the presentation from Police Scotland and note the information contained in this paper.

Doug Duthie
Vice Chair

Draft Minute of Meeting of 16 September 2014

The meeting commenced at 1305 hours.

The meeting was chaired by Mr Duthie, Vice Chair, in the absence of Mr Milroy.

PRESENT – A Bell, S Cormack, B Dunn, D Duthie (Chair), I Gossip, K Gravells, J Harper, C Inglis, M Melvin, D Michie, D Rennie, S Smith, R Wallen
IN ATTENDANCE – R Scott, A MacDonald (Audit Scotland), P May, P Kesson

1. Apologies for Absence
Apologies were received from K Milroy, A Simpson, and A Smith.

2. Minute of previous Meeting
The Minute of Meeting held on 23 June 2014 was approved.

3. Matters arising from previous Meeting
There were no matters arising.

4. Matters for Decision

4.1 Annual Report by the Audit Committee to the Board of Management FY2013-14
The Board considered the Annual Report presented by the Audit Committee in respect of the period 01 August 2013 to 31 March 2014.

Ms Bell informed the Board that the Audit Committee, at its meeting earlier in the day, had adopted the report. She recorded her thanks to the Audit Committee and to College staff for the additional work required in the preparation of the final report.

The Board adopted the Annual Report to the Board by the Audit Committee.

4.2 Auditor's Report to those charged with Governance and Financial Statements
The Board considered the draft financial statements of the Board of Management of North East Scotland College for the 8 months to 31 March 2014, together with the Auditor's Report on the statements.

Ms MacDonald highlighted a number of assurances to the Board.

In expressing an unqualified audit opinion on the results for the year Ms MacDonald said that she had worked closely with the College's internal auditors throughout the year and there were no major matters arising in terms of internal controls.

After some consideration the Board of Management noted the report presented by Audit Scotland; approved the financial statements of the College for the 8 months to 31 March 2014; and requested the Vice Chair of the Board and the Principal to sign the financial statements on behalf of the Board.

On behalf of the Board Mr Duthie thanked Ms MacDonald for her work throughout the year.

4.3 Audit Scotland Report to those charged with Governance – former Banff & Buchan College
The Board considered the report presented by Audit Scotland in relation to the audit of the financial statements of the former Banff & Buchan College for the 3 months to 31 October 2013.

The Board noted that the report being presented had been amended in the light of the Auditor General requesting additional information on matters related to voluntary severance arrangements in the former Banff & Buchan College.

Mr Wallen advised Members that the College's Voluntary Severance Scheme had now been amended in line with Audit Scotland's recommendation to improve clarity and had been further amended and approved by the Human Resources Committee earlier that day.

Mr Duthie gave a strong assurance that such a matter would not occur in future and thanked Ms MacDonald and everyone involved in resolving the issue.

The Board noted the amended report presented by Audit Scotland.

Mr Scott and Ms MacDonald left the meeting at this time.

5. Matter for Discussion
5.1 Revised Process for College Reviews
The Board considered a paper providing information about the development of a new framework and process for evaluating the effectiveness of colleges.

Mr Wallen provided additional information on the revised process, together with feedback from a Project Board meeting he had attended the previous week where the College's proposed approach had been endorsed by the Scottish Funding Council and Education Scotland.

Professor Harper provided very helpful advice to the Board from his experience of evaluation processes at Robert Gordon University and in the higher education sector.

A discussion was held on a number of aspects of the Project Plan such as the identification of criteria, the requirements for reference and stakeholder groups and related consultation processes.

6. Matters for Information
6.1 Members' Attendance at Board Meetings in AY2013-14
The Board noted a report providing information on Members' attendance at meetings of the Board and Standing Committees from 01 November 2013 to 31 July 2014. All Members have complied with the attendance requirements set out in the Further and Higher Education (Scotland) Act 1992.

7. Summation of Business and date and time of next Meeting
The Secretary gave a summation of the business conducted. The next meeting of the Board of Management is scheduled to take place on Monday 08 December 2014 at 1400 hours.

It had previously been agreed that a Board meeting would be held as part of the Board's Planning Event in October but it has since been agreed with the Chair that this is not required.

Reserved Items of Business

8.   Matters for Decision

   8.1   Sale of the Site of the Former Balgownie Centre – Homologation of Decision

   8.2   Voluntary Severance Update

The meeting concluded at 1420 hours.

Draft Minute of 10 October 2014

The event commenced at 1330 hours.

PRESENT: A Bell, S Cormack, B Dunn, D Duthie, I Gossip, K Gravells, J Harper, C Inglis, D Michie, K Milroy (Chair), D Rennie, A Simpson, S Smith, R Wallen

IN ATTENDANCE: N Cowie, E Hart, R Scott, P Sherrington, S Walker, P May

IN ATTENDANCE FOR SESSION 3: C Brodie (SDS), J Bream (AGCC)

APOLOGIES FOR ABSENCE: M Melvin, A Smith

SESSION 1: CHAIR'S INTRODUCTION

Mr Milroy welcomed attendees to the event and highlighted that, as agreed at the previous event in February, future Board Planning Events would be held in October each year at the beginning of the planning cycle and that this event was the first under the new arrangements.

Mr Milroy commented that it had nearly been a year since the merger and recorded his and the Board's thanks to the Principal and Senior Management Team (SMT) for their contributions to the successful integration process. Mr Milroy also thanked Board Members for their contribution to the merger and the establishment of the new regional College.

It was noted that clear direction had been provided by the Board and SMT throughout the merger but that a number of areas were understandably still work in progress. Mr Milroy commented that NESC appeared to be in a more favourable position that some other mergers.

Mr Milroy provided attendees with an update on the appointments process for the new Board of Management and reported that two new Members had been appointed in the first phase and would join the Board on 01 November 2014. Mr Milroy also advised that Professor Melvin had not been appointed and noted her contribution as a Board Member of the former Aberdeen College and NESC. Members recorded their thanks to Professor Melvin and wished her well for the future. Mr Milroy noted that the second phase of appointments would be advertised in November 2014 with interviews planned for December.

Mr Milroy commented that a significant amount of time had been attributed to the merger and that it was now important for the Board to define a clear direction of travel for the new regional College.

In defining the direction of travel Mr Milroy noted considerations required in relation to the outcome of the recent referendum and related economic impacts, the College's key partnerships, estates development, reclassification as a public body and the Wood Commission.

SESSION 2: CONTEXT

Members noted paper 2.1 and Mr Wallen commented on each of the appendices:

> **Appendix 1 - SFC Letter: NESC 6-month Post-merger Evaluation**
> The positive conclusion was highlighted.
>
> **Appendix 2 - Benefits of the Merger**
> Confirmation provided that achievements to date were as expected.
>
> **Appendix 3 - Letter of Ministerial Guidance 2014-15**
> Sector concern of high expectations in a time of funding cuts was noted.

Appendix 4 - Outcome Agreement 2014-17
The requirement to achieve specific key targets and monitoring of risks were noted.

Appendix 5 - EMSI Factsheet and Summary Report
The planned commissioning of an EMSI study of the economic impact of the FE sector in Scotland was highlighted.

Appendix 6 - Mackay Consultants' North East Scotland Monthly Economic Report: September 2014
The dominance of the oil and gas industry in the region was noted.

Appendix 7 - Revised Review Process for Colleges (tabled at event)
The pilot and the development of criteria were explained.

It was agreed that Appendix 2 should be amended to note the increased curriculum offer at the Fraserburgh Campus and the clarification of progression opportunities across the region. It was also agreed that the document should be circulated to College staff for information.

It was agreed that consideration should be given to sharing Appendix 5 with relevant MPs and MSPs to highlight inequalities in the North East which contradict the perception that many have that the region is uniformly affluent.

Members noted paper 2.2 and considered the Draft Outcome Agreement 2013-14 Self-evaluation Report. It was highlighted that all but one of the activities were recorded as 'good progress'.

A copy of the College's Quality Summary Report for 2013-14 was tabled and Members were informed that it would be appended to the Self-evaluation Report, as requested by the SFC, and would be submitted by the required deadline of 31 October 2014.

SESSION 3: THE SKILLS NEEDS OF INDUSTRY
Mr Brodie gave a presentation to attendees on employer demand for skills, covering the following:

- Why is intelligence from employers important?
- Purpose of Regional Skills Assessments
- Regional Skills Assessment – Demand
- Regional Skills Assessment - People
- School Leaver Destinations
- Modern Apprenticeships
- Recruitment Activity.

Mr Brodie highlighted the development of Regional Skills Assessments and Members agreed that it was important for the College to have an in-depth understanding of the skills needs of the region and for this to be considered when setting strategic direction and developing Outcome Agreements.

It was noted that an Economic Strategy is currently being developed for the region.

Mr Brodie advised that SDS were working with universities and local authorities in addition to colleges to address the skills agenda.

Mr Bream gave a presentation to attendees on the context from employers' points of view, covering the following:

- The Oil and Gas Sector
- Sector Commentaries
- AGCC Workforce Survey
- External/Emerging Influences.

A discussion followed on addressing the skills needs of the region, including employer demand, programmes aimed specifically at meeting the needs of employers, modern apprenticeships and the Wood Commission.

Members commented that the two presentations were very useful in helping the Board to understand the regional context within with the College operates. Members also commented that it was important for the College to be externally-facing and participating 'at the right tables', and noted that Regional Skills Assessments could have implications in relation to any future needs-led funding models.

SESSION 4: PROGRAMMES FOR EMPLOYERS

Attendees noted paper 4.1, Programmes for Employers.

Mr Gossip presented Appendix 1 – ASET Overview Briefing Document, in Mr Smith's absence.

Members discussed some of the potential risks highlighted by Mr Gossip, especially in relation to the volatility of the oil and gas sector. It was agreed that the Board should explore the possible development of other approaches to generating commercial income to reduce the College's reliance on ASET to achieve a balanced budget.

Members commented on the very good position of ASET and its significant returns to the College. It was also noted that no other college undertakes this kind of activity through a similar model to ASET.

Mr Milroy suggested potential further investment in ASET should be considered, and noted the recent Board Visit to ASET facilities at the Clinterty Centre.

Mr Sherrington presented Appendix 2, Update on The Oil & Gas Academy of Scotland (OGAS), and commented that OGAS was working well and was beginning to make an impact in the region. He added that OGAS had enabled the College to increase its capacity to deliver training for the oil and gas sector.

Mr Sherrington advised that if the College wants to remain as part of OGAS, consideration would need to be given as to how it can be funded from August 2016. It was agreed that a paper detailing funding requirements would be prepared for the Board's consideration and that the full OGAS Report submitted to the SFC would be shared with Board Members.

Mr Sherrington summarised Appendix 3, Business & Community Development.

Members noted the growing importance of modern apprenticeships; the development of higher modern apprenticeships; challenges with Employability Fund provision; and the review and relaunch of bSolutions.

Following discussion of the three Appendices, it was agreed that consideration should be given to the holding of a Board event to provide Members with an opportunity to discuss a longer term strategy for the development of commercial activity.

SESSION 5: VISION AND VALUES

Ms Hart provided attendees with a presentation proposing a new vision and core values for the College as developed at a recent SMT AwayDay.

Members were divided into three groups to each discussion the College's vision and one assigned value.

Each of the groups provided feedback on their discussions. A number of amendments and considerations were noted. All groups agreed that the vision and values should be inclusive and be applicable to both staff and students. It was therefore agreed that further consideration should be given to reflecting the student voice in the vision and values.

Mr Wallen acknowledged the helpful feedback and advised that the SMT would carry out further work on the new vision and values and that this would be resubmitted for Board consideration in due course.

Board Members thanked the SMT for their work on the vision and values to date.

SESSION 6: SELF-EVALUATION

Mr Cowie summarised paper 6.1 and noted the College's and Board's current approach to self-evaluation.

Members acknowledged both the development of a Code of Good Governance for Scotland's Colleges and the SFC's current focus on evaluation activities.

Mr Cowie presented the proposed new approach to the Board's Self-evaluation, highlighting that it is based around the principles contained in the draft Code of Good Governance.

Members were divided into working groups and asked to consider allocated sections of a tabled pro forma.

Mr Cowie gathered in the written feedback provided by each group and confirmed that it would be collated and a suggested self-evaluation report developed for Board consideration in due course.

The event ended at 1730 hours.

Draft Minute of 11 October 2014

The event reconvened at 0930 hours.

PRESENT: A Bell, S Cormack, B Dunn, D Duthie, I Gossip, K Gravells, J Harper, C Inglis, D Michie, K Milroy (Chair), D Rennie, A Simpson, A Smith, S Smith, R Wallen

IN ATTENDANCE: N Cowie, R Scott, P Sherrington, S Walker, P May

IN ATTENDANCE FOR SESSION 7: M Walker (Aberdeenshire Council)

APOLOGIES FOR ABSENCE: M Melvin

SESSION 7: SCHOOL/COLLEGE PARTNERSHIPS
Ms S Walker and Ms M Walker delivered a joint presentation to attendees on school/college partnerships, covering the following:

- The Context
- Partnership with Aberdeenshire Schools
- The Wood Commission: Regional Perspective/National Impact
- The Aberdeenshire Local Authority Perspective
- The Aberdeenshire Perspective
- The Way Forward.

Members noted that importance of the partnership between the College and Aberdeenshire Council in relation to schools.

A discussion followed and Members noted matters in relation to STEM provision; the Wood Commission; foundation apprenticeships; subject choices; school leaver destinations and Curriculum for Excellence.

Members agreed that it was important for the College to have a broad perspective of the school system and noted that the next review of the Memorandums of Agreement with the two local authorities would provide an opportunity to ensure that arrangements remain fit for purpose.

SESSION 8: PRESENTATIONS AND DISCUSSION
Mr Scott provided attendees with a presentation on the financial environment and estates development, covering the following:

- National funding
- Established controls
- Reclassification of colleges as public bodies
- NESC revenue budget
- Recent and current estates projects
- NESC Estates Development Strategy.

A discussion followed on the College's reliance on gift aid received from the College company, ASET to enable a balanced budget to be achieved, and on arrangements in relation to the NES Foundation.

It was suggested that the Board should consider how the College can highlight the region's economic differences in comparison with other college regions, especially to politicians. It was noted that the EMSI report considered in session 2 could help to change perceptions of the North East.

Members commended the high levels of functionality and decoration throughout the NESC estate and noted that any backlog maintenance issues would be addressed in due course.

The progression of the project to over-clad and re-roof the Aberdeen City Campus was noted and Mr Scott was thanked for his role in overseeing the project. Positive feedback from members of the public on the improvements to the Aberdeen City Campus site was noted.

Members confirmed that they were content with the progression of the College's Estates Development Strategy and with arrangements for monitoring progress.

Mr Rennie, Regional President and Ms Gravells, South Area President provided attendees with a presentation on the Students' Association (SA), covering the following:

- Why are students here?
- Ambitions for the SA
- Vision for students
- Vision for the SA
- Future SA plans.

Members thanked the SA for its informative presentation and commended the significant amount of work being undertaken.

Members noted paper 8.2, Board Responsibilities Regarding the Students' Association. Mr Wallen highlighted that a Trustee Board is expected to be appointed soon and the work to develop a Code of Practice will commence shortly.

SESSION 9: TOWARDS 2015-16

Mr Sherrington advised that the aim of the session was to provide endorsement of direction for the development of the College's strategic planning and next Outcome Agreement.

Members noted paper 9.1, Strategic Planning Framework 2015-16, and agreed that it was reassuring to see the re-establishment of a formal College planning cycle. It was highlighted that the next significant deadline was the submission of the first draft of the 2015-16 Outcome Agreement to the SFC by 08 December 2014.

Members noted paper 9.2, Letter of Ministerial Guidance 2015-16, and were advised that the issues highlighted would be addressed accordingly in the College's Strategic Plan and Outcome Agreement.

Mr Sherrington introduced paper 9.3, the Draft Strategic Plan 2015-16, and highlighted that the Plan was to be read in conjunction with the Outcome Agreement.

Members agreed that the proposed structure of the Plan was appropriate. A number of minor amendments were suggested:

- the addition of a 'beyond the region' section providing a national and international context
- the list of supporting strategies to be updated as new Strategies are approved
- the High Level Strategic Risk Register to be appended to the Plan
- the vision and values to be updated once finalised
- the addition of a glossary.

It was also agreed that the Plan would be the key planning document used to set the strategic direction of the College, and that it should be a brief high level document which does not duplicate large amounts of information contained in the Outcome Agreement. Members requested that the Plan be reconsidered and approved before Christmas.

Members considered a tabled paper containing a proposed rewording of the current three strategic aims.

A discussion followed and it was agreed that the strategic aims should be outcome focused and be linked to the College's vision and values.

It was agreed that further work would be undertaken on the wording of the strategic aims to reflect the session's discussions and that the strategic objectives would be reviewed further to ensure alignment with the new aims.

It was also noted that the development of criteria for the Action-learning Project should be considered when revisiting the strategic aims and objectives.

Mr Sherrington summarised paper 9.4, Outcome Agreement 2015-16, and highlighted that the 2015-16 Agreement was a refresh of the 2014-17 Agreement.

It was agreed that the priority outcomes to be delivered by end of AY 2016-17 should be the College's strategic aims.

It was also agreed that the outputs should be reviewed and consideration give as to how they can be evidenced.

Members noted that there should be alignment between the strategic aims and objectives and outcomes and outputs and that key risks should also be cross-referenced where possible. It was suggested that, if possible, a diagram should be prepared to highlight these links.

SESSION 10: REVIEW OF PLANNING EVENT, FEEDBACK AND PLENARY DISCUSSION
Mr Milroy asked attendees to share their view of the event.

It was agreed that moving the event to October was the correct decision as it provides the Board with an opportunity to appropriately input and influence various key planning documents.

The following was also noted:

- Appropriate mix of speakers and discussion
- Agenda ideal for the consideration of governance issues
- External perspectives very helpful
- Very coherent
- Enjoyable
- Event is improving year on year
- Very good facilities at RGU.

Members agreed that it would be beneficial to receive input from Aberdeen City Council; in line with Ms Walker's Aberdeenshire perspective provided as part of session 7.

It was noted that the Board may wish to have some discussions relating to the upcoming General Election and that further dialogue with regional MPs and MSPs should be sought.

It was also noted that consideration should be given to the implications for College planning of the possibility of there being a referendum on the UK's continuing membership of the Europe Union.

SMT attendees noted that the event had provided a very clear and helpful sense of direction, and that it was essential for the SMT to undertaken work in line with the Board's vision.

Mr Milroy echoed that it had been a very productive event and thanked all those who had contributed to its success.

The event ended at 1215 hours.

Report to the Board by the Regional Chair

1. Introduction
1.1 The purpose of this paper is to update the Board on recent developments in the FE sector and at the College.

2. MP and MSPs Event
2.1 On 14 November 2014 a briefing event was held in the College's Training Restaurant, Gate 63, for politicians who represent this area at the Scottish, UK and European Parliaments.

2.2 The following MSPs and MPs attended: Richard Baker MSP; Lewis Macdonald MSP; Nanette Milne MSP; Sir Robert Smith MP; and Dame Anne Begg MP.

2.3 The Regional Chair, Vice Chair and Principal were in attendance, and the Regional Students' Association President and South Area President also participated in some of the event's discussions.

2.4 The event gave attendees an opportunity to discuss significant changes to the College sector in Scotland, such as regionalisation, mergers, reclassification into the public sector, and the review of the funding methodology, and several developments specific to NESC, such as work to create integrated College structures and services and estates development. The challenges and opportunities for the College in the current circumstances and the foreseeable future were also discussed.

2.5 A similar event is planned for 09 January 2015 for those politicians who were unable to attend the first event.

3 Cabinet Secretary for Education and Lifelong Learning
3.1 On 21 November 2014, the Scottish Government's new Cabinet was announced by First Minister Nicola Sturgeon. Angela Constance MSP has been appointed to succeed Michael Russell MSP as Cabinet Secretary for Education and Lifelong Learning.

4 Links with Local Partners
4.1 Since the last Board Meeting, the Regional Chair and Principal have met with a number of the College's key partners.

4.2 At a meeting with the Leader and Chief Executive of Aberdeenshire Council updates on previous discussions were provided, areas of mutual interest explored and the importance of the Wood Commission highlighted.

4.3 An introductory meeting was held with the newly appointed Chief Executive, and Council Leader of Aberdeen City Council and areas of mutual interest were discussed.

4.4 A meeting was also convened with the Principal and Board Chair of RGU to discuss issues relating to the partnership between the institutions.

5 Scotland Policy Conferences Keynote Seminar: Developing young people's skills: vocational education, partnerships and modern apprenticeships
5.1 The Regional Chair will be speaking at this event in Edinburgh on 03 December 2014 on the next steps for college and vocational education following the Post 16 Education Act 2013.

6   NESC Board Member Appointments Process – Phase Two

6.1   A further six vacancies for lay members were advertised with a closing date of 26 November 2014.

6.2   Interviews for these vacancies have been scheduled for 01 and 02 December 2014.

6.3   Those appointed will commence their term of office in March 2015.

7   Attendance at Meetings

7.1   The Regional Chair has attended various meetings since the last Board Meeting, including:

- FE Strategic Forum, focussed on student participation;
- Colleges Scotland Board Meetings, focussed on re-establishing the organisation;
- Regional Chair Meetings, and
- Programme Board Meetings for the Implementation of the Wood Commission.

8   Recommendation

8.1   It is recommended that the Board consider the information in this report.

Ken Milroy
Regional Chair

Report to the Board by the Principal

1 Introduction

1.1 The purpose of this paper is to provide information to the Board of Management on significant recent developments.

2 Aberdeen City Campus Overclad

2.1 An event is being planned for Friday 23 January 2015 at 3pm to celebrate the completion of the overclad at Aberdeen City Campus Tower and East Blocks. The Lord Provost of Aberdeen City and the Provost of Aberdeenshire are the guests of honour.

2.2 A party of staff from Dundee and Angus College visited the Aberdeen City Campus on 20 November 2014 to see how the overclad had been effected as they are seeking to do something similar with one of their College buildings in Dundee.

3 Open Day and Open Evening

3.1 An Open Day was held at Aberdeen City Campuses on Saturday 08 November 2014. There was a good level of attendance over the several hours of the event.

3.2 An Open Evening was held at the Fraserburgh Campus on Thursday 13 November 2014. Attendance was lower than in previous years – perhaps affected by very bad weather and a serious road accident that blocked the A90 south of Fraserburgh. Consideration is being given as to whether a Saturday event may be better in future years. A modern apprenticeship information evening that had been held some time previously in Fraserburgh had attracted a high level of attendance.

4 Craibstone Campus

4.1 The Scottish Rural University College (SRUC) have given notice that they are considering moving from their Craibstone Campus where the College currently leases premises for the delivery of Animal Care and Horticulture provision.

4.2 One possibility is that SRUC relocates its Aberdeen activities from Craibstone to Thainstone. If that is the case the College's Animal Care provision might be able to be relocated there.

4.3 Discussions are taking place regarding other options for the relocation of Animal Care provision in case a move to Thainstone is not appropriate, and regarding the relocation of Horticulture provision.

4.4 College Staff based at Craibstone have been kept informed of developments.

4.5 The College's lease at Craibstone has a further two years to run.

5 Chief Officer's Forum

5.1 In the past a Chief Executive's Forum existed in the North East, involving the chief executives of NHS Grampian, the three local authorities, Grampian Fire and Rescue Service, Grampian Police, the two universities in Aberdeen City and the three Colleges in what had been the Grampian Regional Council area.

5.2 In the past two years or so, this has been in abeyance, partly because of the considerable changes affecting the fire and police services.

5.3 A similar group has now been reformed (with a changed name to reflect the changed circumstances in the fire and police services).

5.4 An initial meeting was held on Thursday 20 November 2014 over a meal in North East Scotland College's Gate 63 Restaurant in the Aberdeen City Campus. Representatives attended from Aberdeen City, University of Aberdeen, RGU, Police Scotland (Aberdeen City and Aberdeenshire/Moray divisions), Scottish Fire and Rescue Service (Aberdeen City and Aberdeenshire/Moray divisions) and North East Scotland College.

5.5 Discussions identified a number of areas where greater collaboration would be of benefit.

5.6 A further meeting is to be held soon, with those organisations who had not been represented at the first meeting also to be invited – NHS Grampian, Aberdeenshire Council, Moray Council and Moray College.

6 157 Group

6.1 On 27 November 2014 the Principal attended meetings of the 157 Group in London.

6.2 The 157 Group is a grouping of the larger and demonstrably more successful Colleges in England, with one representative from each of the other three home nations.

6.3 Membership is by invitation, and a requirement for membership is a proven track record of success.

6.4 Membership of the group allows the College to learn about the rather different circumstances that apply in other parts of the UK and the strategies that are being employed to deal with the various challenges experienced.

7 BS 18001

7.1 In November the whole of North East Scotland College was assessed against the requirements of BS 18001 which relates to systems for the management of Health and Safety.

7.2 The assessment had a successful outcome and now the whole of NESC meets the required standard which had previously only applied to the former Aberdeen College Campuses.

8 Recommendation

8.1 It is recommended that the Board note the contents of this report.

Rob Wallen
Principal

Meetings of Standing and Ad Hoc Committees

1. Introduction

1.1. The purpose of this paper is to assist the Board of Management to consider the business conducted at meetings of the Board's Committees.

2. Background

2.1. The Board's Governance Manual states that "Minutes of meetings of Committees of the Board shall be presented to the next available meeting of the Board".

2.2 The inclusion of this item of business as part of the agenda of meetings of the Board of Management provides the Chair and Committee Chairs the opportunity to bring matters considered at meetings of standing and ad hoc committees to the attention of Members and to afford Members the opportunity of asking the Chair and Committee Chairs for further information on business that has been transacted.

2.3. The approved minutes of meetings held since the last meeting of the Board of Management have been circulated in hard copy to Members as appropriate.

2.4. Members have the opportunity to discuss matters designated as 'reserved items of business' as a separate item in this agenda.

3. Recommendation

3.1. It is recommended that the Board consider business conducted at meetings of the Board's Committees.

Rob Wallen
Principal

Revenue Budget

1. Introduction

1.1. The purpose of this paper is to assist the Board of Management to review the revenue budget for the College for the academic year ending 31 July 2015.

1.2. This is a covering paper to the budget papers, which are being issued to Members under separate cover.

2. Background

2.1. The Board's Governance Manual states that authority to approve the annual budget is reserved to the Board of Management. At a meeting on 18 March 2014, the Board approved its budget for the year to 31 March 2015. Since that time, the financial reporting date for Scottish colleges has reverted to 31 July. Consequently, the opportunity has been taken to revise the revenue budget and rebase it to match the academic year to 31 July 2015.

3. National Context

3.1. Scottish further education colleges are operating in a period of transition where changes in governance and financial management are being made as a result of legislation – the Post-16 Education (Scotland) Act 2013 – and the 'reclassification' of Scottish colleges as 'public bodies'.

3.2. Many of the issues related to reclassification that impact upon the financial management of colleges have been resolved; that said, many remain and a settled pattern of arrangements has yet to be established.

3.3. A number of issues remain under discussion at a national level involving auditors, Scottish Funding Council (SFC) officials, college finance staff. For example, the treatment of certain grants differs under the accounting requirements resulting from 'reclassification' and the accounting requirements set by the UK Financial Reporting Council (FRC) for all universities and colleges. Another example is the accounting treatment of funding surpluses/deficits in pension schemes. These can be significant amounts. (These are accounting and not cash effects.)

4. Revenue Budget Revision

4.1. The Board's activities as a whole are forecast to continue to operate at a modest surplus (as defined by the FRC), which will be transferred to an arms-length trust so that a break-even financial position is achieved for the purposes of 'reclassification' accounting.

4.2. The College continues to be reliant on the surplus generated by ASET to offset the deficit incurred in the delivery of the College's 'fundable' student activity. This has been the case since 2010-11 due to cuts in national levels of funding to further education. In that time the amount of grant received by the College has been cut by 20% in real terms.

4.3. The forecast increase in the revenue budget operating surplus at this revision arises from: additional fee income (primarily from increased numbers of full-time advanced students); efficiency gains on staffing costs offset by additional provisions for the costs of pay harmonsiation; and revision of cost estimates made when the original budget was set to reflect actual spending requirements.

5. Forward Look

5.1. The SFC has indicated that colleges can expect flat cash allocations of funding in 2015-16. The introduction of the new methodology for measuring the volume of student activity is also planned to take place next year. Further information has been sought from the SFC to aid Members' and College staff understanding of the new arrangements.

5.2. The College continues to rely on income generated by ASET to augment its public funding. This income stream is increasingly volatile given the reduction in the price of oil, uncertainty surrounding planned investment in the North Sea and international events.

5.3. Base budget data are being developed to support the work that is being undertaken to model the financial consequences of known changes in the College's operating environment. This approach has proved effective in recent years in enabling the College to continue to meet the strategic aims set by the Board and, more recently, the requirements of the Outcome Agreement with the SFC.

6. Recommendation

6.1. It is recommended that the Board consider adoption of the revised revenue budget for the financial year to 31 July 2015.

Rob Wallen
Principal

Roddy Scott
Vice Principal - Finance

Governance Manual

1. Introduction

1.1 The purpose of this paper is to allow the Board of Management to consider proposed amendments to its Governance Manual.

2. Background

2.1 At its first meeting in November 2013, the Board adopted a Governance Manual. The Manual includes the statutory and regulatory responsibilities underpinning the operation of the College's Board of Management; the Constitution and Standing Orders of the Board and its Committees; the Scheme of Delegation; the Board's Code of Conduct, and Terms of Reference of the Board and its Committees.

2.2 Minor amendments to the Manual were then considered and adopted by the Board at its meeting in December 2013. Further amendments were then approved by the Board at its meeting in June 2014 to reflect the enactment of the Post-16 Education (Scotland) Act 2013; the dissolution of the Contracts Committee; and the adoption of the Scottish Government's Model Code of Conduct for Members of Devolved Public Bodies.

3. Review of Governance Manual

3.1 As the Governance Manual has now been in use for over a year, it was thought that it would be beneficial to review its operation and consider if any changes would be beneficial.

3.2 At the request of the Chair, a review of the Manual has therefore been undertaken by the Chairs of the Standing Committees, the Principal, members of the SMT and the Secretary to the Board.

3.3 A copy of the Governance Manual, annotated with proposed amendments has been issued to Members under separate cover.

4. Recommendation

4.1 It is recommended that the Board consider, and if so minded, adopt the amended Governance Manual.

Rob Wallen
Principal

Draft Strategic Plan 2015-16

1. Introduction
1.1 The purpose of this paper is to provide the Board of Management with an opportunity to consider the College's Draft Strategic Plan for 2015-16.

2. Background
2.1 At its Planning Event in October, the Board considered a first draft of the Plan. The contents of the Plan were agreed and a number of amendments were discussed.

2.2 It was also agreed that the Plan would be the key planning document used to set the strategic direction of the College, and that it should be a brief high level document which does not duplicate large amounts of information contained in the Outcome Agreement.

3. Draft Strategic Plan 2015-16
3.1 Attached as appendix 1 to this paper is a revised version of the Draft Strategic Plan for 2015-16.

3.2 The following amendments have been made since the Plan was last considered:

3.2.1 Our Region
An introductory paragraph has been added.

3.2.2 Our Vision and Values
The vision and values have been revisited and amended by the SMT to reflect discussions held at the Planning Event.

3.2.3 Our Strategic Aims
New strategic aims have been drafted to reflect discussions held at the Planning Event and a narrative inserted for each.

3.2.4 Our Strategic Objectives
The strategic objectives have been reviewed and revised as necessary to ensure that they reflect the new strategic aims.

3.2.5 Supporting Strategies
Recently approved Strategies have been referenced.

3.2.6 High Level Strategic Risk Register
The Register has been reviewed and updated by the SMT and included as an appendix to the Plan.

4. Recommendation
4.1 It is recommended that the Board consider, and if so minded, approve the College's draft Strategic Plan for 2015-16.

Rob Wallen
Principal

DRAFT
STRATEGIC PLAN

AY2015-16

CONTENTS

INTRODUCTION

North East Scotland College was formed on 01 November 2013 following the merger of Aberdeen College and Banff & Buchan College.

Inevitably in the period immediately post-merger we were heavily focused on the creation of one regional college. A lot has been achieved since November 2013 and we are now consolidating our successes whilst planning for further improvements. This plan has been developed to guide the next steps in our development. It is our view that we have made our new merged College work well; we now want to make it work even better.

This plan will describe our College and some of the critical issues that define our region.

The needs of our region together with our vision and values have determined our strategic aims and objectives.

Our strategic aims are carried through into our Regional Outcome Agreement which is attached as an appendix to this document

THE COLLEGE

North East Scotland College is the only further-education college located within the North East of Scotland, and provides a wide range of education and training opportunities across the region to meet the needs of individuals, communities and employers.

The College serves an extensive geographical area: Aberdeen City: 186 sq km, Aberdeenshire: 6,313 sq km, with main centres of delivery, Aberdeen and Fraserburgh, located 41 miles apart. Provision is also provided in a number of the region's main centres of population outwith Aberdeen City: Ellon, Fraserburgh, Huntly, Inverurie, Peterhead and Turriff.

Each year, the College enrols approximately 25,000 students (7,000 full-time and 18,000 part-time).

The College delivers an effective and dynamic curriculum which develops essential skills for learning, life and work, while providing a learning and teaching environment that attracts and retains learners and helps them to achieve.

Engagement with key stakeholders ensures that the needs of the region are identified and training is delivered that meets the needs of local and regional employers and learner demand. A wide range of training is provided for the region's key sectors: Oil and Gas, Food and Drink; Hospitality and Tourism; Life Sciences and Creative Industries.

The College curriculum for the region is fully integrated, with clear progression and articulation pathways within and beyond the College.

The College is committed to working with schools, universities and employers to secure seamless transition from school to College and on to university or employment. The College has formal Articulation Agreements in place with 11 universities, and Memorandums of Understanding with the two local authorities to provide vocational education and skills development for school pupils.

In 2014, the College commissioned an assessment of its economic impact. The assessment identified that for a Scottish Funding Council investment of £33.1m pa the College delivers an economic impact of £406.4m pa, and that the direct return on investment to the government is 17.9%.

OUR REGION

Our region is economically and geographically diverse. The region generates approximately 14% of all Scottish output. The economy of the region is dominated by the oil and gas sector but other industries including food and drink, retail, hospitality and tourism, life sciences and creative industries are strong. Productivity is considerably above Scottish and UK averages and unemployment is low. The population is growing and participation in education and training is comparatively high. However there are communities within Aberdeen City and rural Aberdeenshire that are characterized by multiple deprivation. Wages in Aberdeenshire are lower than the national average.

Key facts and figures:

Population

- The North East of Scotland has a population of approximately 480,500, equivalent to 9% of the Scottish total;
- Aberdeen is home to the largest percentage of young people in Scotland with 25% of its residents aged 16-29 years old;
- By 2019, on average across Aberdeenshire, primary school numbers are predicted to rise by 9.9% and 6.5% in academies;
- The number of people from outside the UK living in Aberdeen City more than doubled between 2001 and 2011, growing by 167%;
- There is a need for 3,000 new houses per annum 2014-2022 to support current growth trends.

Economy

- The North East of Scotland generates a disproportionately larger share of Gross Value Added (GVA) to Scotland's economy – 13% of GVA to Scotland with 9% of the population;
- Eurostat, the European Union's equivalent of the Office of National Statistics, has identified the North East of Scotland as the 16th wealthiest area of Europe in terms of income and Gross Domestic Product (GDP);
- The Good Growth for Cities Index 2013, ranked Aberdeen as the best city to live and work in Scotland and the second best in the UK against ten categories defined by the public and business as key to economic wellbeing.

Employment

- Total employment in the region is estimated at just under 250,000 with an employment rate of 79% in Aberdeen City and 81% in Aberdeenshire;
- Aberdeen has the fifth highest employment rate in the UK;
- The weekly earning of a full-time worker in Aberdeen are 19% above the Scottish average, whereas weekly earnings in Aberdeenshire are 5% below the Scottish average;

- Only 9% of the working population have no qualifications compared to the Scottish average of 11%, 40% of the working age population are qualified to Scottish Credit and Qualifications Framework (SCQF) level 7 in line with the Scottish average;
- Aberdeen City and Aberdeenshire account for around 40% of total UK oil and gas employment and is estimated to support 137,000 jobs, directly and indirectly, in North East Scotland.

North East Scotland College is committed to improving opportunities for the people of Aberdeen and Aberdeenshire, to helping the region's young people progress to work or higher education and to supporting employers through professional updating and workforce development. The following sections detail how the College plans to continue to address this in 2015-16.

OUR VISION AND VALUES

Vision
Our Vision is:

A College that transforms lives and supports regional development.

Values
Our values are the foundation of all that we do and state what is really important to us. They apply to everyone who comes to the College to learn or work.

Our Values are:

Commitment and Excellence

- Understanding and responding to the needs of our students, staff, key stakeholders and customers;
- Being business-like and professional;
- Maintaining a clear focus on our goals and ensuring that these are achieved through effective planning and organisation;
- Achieving excellence by continually evaluating and improving our services;
- Ensuring our processes are consistent, accessible, effective and efficient.

Empowerment and Engagement

- Creating an environment where innovation and creativity are encouraged and can flourish;
- Providing clear direction, information and communication;
- Providing development opportunities to ensure that we have the skills, knowledge and confidence to perform to the best of our ability;
- Giving recognition and praise;
- Encouraging and supporting collaboration.

Respect and Diversity

- Valuing the experience and talent of all;
- Treating others with dignity and respect;
- Creating an accessible, inclusive learning and working environment;
- Being fair, open and transparent to ensure a culture of mutual trust and integrity.

To realise our vision to be a **College that transforms lives and supports regional development,** we have developed a set of strategic aims and objectives. These will direct and focus our medium term planning priorities.

OUR STRATEGIC AIMS

Strategic Aim 1
To create personal and business growth through learning

This aim reflects our commitment to learners and the communities that we serve. We will work with key partners to align our activity to regional and national priorities. We will support employers by developing our curriculum to match their current and future needs. We will encourage students to be active learners and to acquire skills that make them employable.

Strategic Aim 2
To provide accessible programmes of study that lead to positive outcomes for students

This aim reflects our commitment to access and inclusion across an area that is demographically and economically diverse. To encourage participation in rural communities learning opportunities will be available across the region. We will create clear and meaningful progression from school to college and then to work or further study. We value diversity and will work in partnership to increase positive outcomes for all students.

Strategic Aim 3
To achieve maximum impact from the available resources

This aim reflects our ambition to create the best possible resource for the region. We will do this by adopting approaches that reflect excellence in public value. We will encourage innovation and build engagement so that we create an effective, efficient and sustainable organisation.

OUR STRATEGIC OBJECTIVES

Strategic Aim 1
To create personal and business growth through learning

Strategic Objective 1
To work with local schools and universities, local authorities and other agencies to promote courses especially in current and emerging skills shortage areas.

Strategic Objective 2
To ensure that curriculum development and programme design are informed by national evidence and local market research which identifies local, regional and national skills needs.

Strategic Objective 3
To maintain national specialisms in engineering, oil and gas, maritime, and creative industries.

Strategic Objective 4
To review and further enhance the development of employability, enterprise, and entrepreneurial skills within programmes to promote learner progress and achievement and improve the supply of economically valuable skills.

Strategic Objective 5
To continue to implement effective arrangements for maintaining and improving the quality of learning and teaching, and to react to, and if necessary challenge influences which would affect the delivery of these functions.

Key Performance Indicators
- Education Scotland Annual Engagement and Aspect Task Outcomes;
- Stakeholder engagement activities and feedback;
- Employer and learner satisfaction surveys;
- SFC Action-learning Project and NESC enhanced Self-evaluation activity outcomes.

Strategic Aim 2
To provide accessible programmes of study that lead to positive outcomes for students

Strategic Objective 1
To ensure that local access to educational opportunity is preserved across the region in order to meet the needs of learners, employers and communities both in cities and rural areas.

Strategic Objective 2
To work with partners and key stakeholders to increase positive destinations for learners.

Strategic Objective 3
To work with partners in the public and voluntary sectors to provide appropriately targeted learning opportunities for educationally disadvantaged groups, (including those furthest from the labour market, those with disabilities, those with additional support needs, and looked after young people).

Strategic Objective 4
To maintain a range of College courses, suited to differing levels of prior experience and learning, in order to provide appropriate progression opportunities within the College, to university or to work-based qualifications.

Strategic Objective 5
To enhance school/College links and to increase school pupil participation in STEM (science, technology, engineering and mathematics) subjects as part of the College's approach to becoming an early adopter of the Wood Commission recommendations.

Key Performance Indicators
- Number of learners accessing the curriculum through different modes of delivery;
- Enrolments of learners from disadvantaged and hard to reach groups and areas;
- Level of additional learning support provided;
- Number of school pupils and school leavers accessing College programmes;
- Number of learners progressing from non-advanced level to advanced level;
- Number of learners progressing through formal articulation agreements;
- Number of learners gaining employment as a result of undertaking a College programme.

Strategic Aim 3
To achieve maximum impact from the available resources.

Strategic Objective 1
To ensure the financial sustainability of the College.

Strategic Objective 2
To increase income from non-Scottish Funding Council sources.

Strategic Objective 3
To develop and implement a regional Estates Strategy that delivers excellent facilities.

Strategic Objective 4
To reduce the College's impact on the environment.

Strategic Objective 5
To ensure the recruitment, retention, development, leadership and motivation of suitably qualified and skilled staff.

Key Performance Indicators
- Achievement of the Scottish Funding Council funded activity target
- Achievement of a balanced budget
- Level of non-grant funded income to the College
- Successful progression of a regional Estates Strategy
- Reduction in emissions and consumption of non-sustainable resources
- Staff satisfaction.

SUPPORTING STRATEGIES

The following Strategies have been developed to support the delivery of the Strategic Plan:

1. Environmental Sustainability
2. Health and Safety Strategy
3. Human Resources Strategy
4. Information and Communications Technology (ICT) Strategy
5. Marketing Strategy
6. Learning and Teaching Strategy
   Learning and Teaching sub-strategies
   - Access and Articulation Strategy
   - Curriculum Strategy
   - Dissemination of Good Practice in the Curriculum Strategy
   - Essential Skills: Core and Soft Skills Strategy
   - External Engagement Strategy
   - Learning Resources Strategy
7. Student Engagement Strategy
8. Student Support Strategy.

Copies of the Strategies can be accessed on the College's website – www.nescol.ac.uk

THE REGIONAL OUTCOME AGREEMENT

In addition to the Strategic Plan, the College also commits to delivering a Regional Outcome Agreement.

Regional Outcome Agreements were introduced by the Scottish Funding Council (SFC) in AY2012-13. They are intended to enable the SFC and colleges to demonstrate the impact of the college sector and its contribution to meeting Scottish Government priorities. The Regional Outcome Agreement is also a funding contract between the SFC and each region.

The Regional Outcome Agreement consists of two main sections – the Regional Context Statement and the Outcome Progress Table.

The Regional Context Statement provides evidence as to how the region meets the needs of its learners, employers and community.

The Outcome Progress Table sets out outcomes the region will deliver in response to Scottish Government and SFC priorities. The outcomes address four key areas:
1. Efficient and Sustainable
2. Right Learning in the Right Place
3. High Quality Learning
4. A Developed Workforce.

A copy of North East Scotland College's current Regional Outcome Agreement can be accessed on the College's website – www.nescol.ac.uk

APPENDIX – HIGH LEVEL STRATEGIC RISK REGISTER

The following should be seen as the actual critical risks that the College is facing, with a high-level indication of the mitigation that will be applied to each:

Governance issues: the risk that the reclassification of colleges and other changes to college governance reduce the flexibility of the Board of Management to manage financial and estates issues and to meet targets set out in the Outcome Agreement.

Mitigation: seeking the support of The North East Scotland Foundation for Further Education to support the College's continuing development.

Responsibility: Principal and Board of Management

Corporate issues: the risk that the College fails to maintain service continuity because of unforeseen circumstances, including change of governmental and SFC policy.

Mitigation: sound internal planning and monitoring arrangements, and regular liaison with Scottish Government and SFC officials.

Responsibility: Senior Management Team

Commercial issues: the risk that the College becomes reliant on profit from the College company's training for the oil and gas industry, and that this might be reduced by any down-turn in the North Sea oil sector, thereby threatening the College's financial stability and sustainability.

Mitigation: seeking improved funding from SFC; further investment in the College company to ensure it maintains market share of oil and gas training even if there is a downturn and a diversification of commercial work into other areas.

Responsibility: Principal and Depute Principal

Curriculum issues: the risk that in establishing a nationally influenced regional curriculum, the College fails to deliver its current high level of service and as a result its reputation is damaged and recruitment is affected, or that organisational capacity cannot be realigned in line with changing governmental requirement or changing patterns of demand, and the College fails to deliver programmes that are essential for local industry and prosperity.

Mitigation: review of all curriculum delivery and support to identify core aspects of the service in line with government objectives and to concentrate on maintaining the core services while removing those less aligned with governmental prioritisation.

Responsibility: Vice Principal Curriculum

IT issues: the risk that in implementing the change necessary for the integration of IT services in the College in a difficult financial environment, the College is not able to maintain the robustness and fitness for purpose of IT infrastructure that is essential for course delivery, student services and business services.

Mitigation: establish and monitor the implementation of IT integration project plans, monitor system usage and system disruptions, and review the College's IT support service.

Responsibility: Depute Principal

Quality issues: the risk that in that changing to a new SFC-driven, self-evaluation model in a climate of reducing human and financial resource will make it difficult to implement successful and robust quality arrangements for improving student outcomes and meeting stakeholder expectations which, in turn, will lead to diminished stakeholder confidence in, and reputational damage for, the College.

Mitigation: implement, embed, resources, monitor and review an effective and robust set of quality and self-evaluation processes that continue to provide improving and sustainable outcomes and experiences for both students and stakeholders.

Responsibility: Vice Principal Organisational Development

Financial issues: the risk that changes to Scottish Government policy, funding levels and the funding methodology, combined with the inflexibility of ONS reclassification, make it difficult to maintain a balanced budget.

Mitigation: planning programmes to remove relatively high cost areas of activity and reduce level of service provided during the planning period such that there is a smooth reduction of costs over a manageable timescale and a return to a balanced budget by the end of the period; securing access to funding from the NES FE Foundation by maintaining effective relationships with the Trust; acting to mitigate the level of cuts to the College's income by collaboration between the College and other partners to seek areas for cost reduction and income generation to augment government income.

Responsibility: Principal and Vice Principal Finance

Estates and Facilities issues: the risk that much reduced funding and/or the loss of assets, and the implementation of major systemic change may impact on the College's ability to implement its Estates Development Strategy and/or to maintain the necessary quantity, quality and currency of facilities and other resources.

Mitigation: proceeding with the Estates Development Strategy based on the agreed timescales while building local support for the plans, and prioritising equipment replacement and renewal based on level of impact on the students' experience; securing access to funding from the NES FE Foundation by maintaining effective relationships with the Trust.

Responsibility: Vice Principal Finance

Staffing issues: the risk that in a situation of pay constraint and a possible return to national collective bargaining, in reducing costs in line with much reduced funding and in adjusting to rapid structural and systemic change, the College is unable to sustain staffing in critical areas and experiences a significant loss of knowledge and skills.

Mitigation: seek to motivate staff through good communication and clear management support, implement an effective organisational and staff development programme, and maintain the position of the staff as the highest paid in the Scottish FE Sector.

Responsibility: Vice Principal Human Resources

RISK MATRIX

BEFORE MITIGATION		Severity of Outcome		
		Minor	Moderate	Major
Likelihood of Occurrence	Very Likely			
	Likely		Commercial Estates & Facilities	Governance Finance IT
	Unlikely			Corporate Curriculum Quality Staffing
	Highly Unlikely			

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AFTER MITIGATION		Severity of Outcome		
		Minor	Moderate	Major
Likelihood of Occurrence	Very Likely			
	Likely			
	Unlikely	Commercial	Corporate Quality Staffing	Finance IT
	Highly Unlikely	Governance	Curriculum Estates & Facilities	

Risk Level
Extremely High
Very High
High
Medium
Low
Insignificant

Draft Outcome Agreement 2015-16

1. Introduction

1.1 The purpose of this paper is to provide the Board of Management with an opportunity to consider the draft Outcome Agreement for 2015-16.

2. Background

2.1 Since 2012-13 the College has been required to sign an annual Outcome Agreement with the Scottish Funding Council (SFC).

2.2 Outcome Agreements are intended to enable the SFC and colleges to demonstrate the impact of the college sector and its contribution to meeting Scottish Government priorities. The Outcome Agreement is also a funding contract between the SFC and each region.

3. Outcome Agreement for 2015-16

3.1 The Outcome Agreement for 2015-16 follows the same format as the current Agreement – two main sections: a regional context statement and an outcome progress table.

3.2 The College's Outcome Agreement Manager has confirmed that the SFC do not expect the 2015-16 Outcome Agreement to be a brand-new document, it should be a refresh of the current 2014-17 Outcome Agreement.

3.3 At the Board's Planning Event in October 2014, Members noted the process for the development of the Outcome Agreement for 2015-16 and a number of specific areas which require to be addressed in line with the SFC's 2015-16 Outcome Agreement Guidance.

3.4 A copy of the first draft of the Outcome Agreement for 2015-16 has been issued to Members under separate cover.

3.5 Since the Planning Event, the Depute Principal and Planning Manager have continued to meet with the College's SFC Outcome Agreement Manager to ensure that the Outcome Agreement for 2015-16 is in line with SFC requirements.

4. Timeline

4.1 The timeline for the Outcome Agreement 2015-16 is as follows:

Activity	Deadline
First draft Outcome Agreement submitted to SFC	08 December 2014
Amendments	January 2015
Final sign-off of Outcome Agreement and funding announced	28 February 2015
Publications of Outcome Agreements	April 2015

5. Recommendation

5.1 It is recommended that the Board consider the draft Outcome Agreement for 2015-16.

Rob Wallen
Principal

Non–SFC Funded Activity

1 Introduction

1.1 The purpose of this paper is to update the Board of Management on key issues and developments relating to the work of Business and Community Development and the Scottish Maritime Academy. The paper also outlines some key actions to support the planning objectives within the College's Strategic Plan 2015 -16.

2 Background

2.1 Business and Community Development and the Scottish Maritime Academy have an activity target of 22,209 wSUMs. This is a 12% increase on the 2013-14 activity target and represents approximately 12% of the total wSUMs activity for the College.

2.2 It should be noted that budgets and course codings within College management and financial systems are currently under review and therefore this report is based on actuals to 25 November 2014. This report is not intended to be a full business plan for commercial income – this is scheduled for March 2015.

3 Activity to Date

3.1

Area	wSUMs to Date	Target	% Target	Comment
Business Community Development (BCD)	4,227	21,000	20%	This compares with 3,705 wSUMs similar period last year.
Scottish Maritime Academy (SMA)	164	1,209	13%	This is typical for this stage of the year – 200 wSUMs normally at end of November. A number of open learning wSUMs (approx. 40-50) need to be reallocated into SMA

These wSUMs are part-time and the total builds gradually throughout the year.

3.2 In addition both of these areas have income targets. The total income for this area for the academic year up to 25 November 2014 is £383,684. This is against a budget figure of £628,783. However budgets are currently under review and course income is being reallocated. This budget figure will change.

4 Scottish Maritime Academy (SMA)

4.1 SMA income to date £27,476 against a budget target of £69,169. Please note that all open learning courses delivered by SMA need to be recoded to give a true reflection of the income.

4.2 Key SMA objectives are as follows:

- Continue to support fishermen's training – Modern Apprenticeship, Class 2 and Class 1 and new entrants
- Work with key stakeholders to develop fishermen's training in line with international compliance agencies
- Consolidate portfolio of short courses and maximise income by targeted marketing (see table appendix 1 which shows current portfolio projections for year 16-17)

- Develop and deliver merchant navy cadet programme to maximise income/student numbers. This is a three year programme consisting of three college phases and two prolonged periods of sea time. For those cadets able to complete all 5 phases they will achieve an HND Nautical Science plus a collection of vocational qualifications. We anticipate 12 cadets per year. The cadet programme runs for 3 years but not all will progress to year three. By the end of the third year we anticipate as follows:

	2014-15	2015-16	2016-17
Number of cadets	12	24	30
Estimated fee income (£)	30,000	60,000	70,000
Total number credits (SUMs)	180	360	450

4.3 The anticipated portfolio for 2016-17, including cadets, should be delivered from within the current staffing levels (once the existing vacancies are filled). In other words once we have completed this current recruitment exercise we will not need to expand staffing levels to achieve target activity.

4.4 If we are successful in developing the cadet programme the summary target position for 2016-17 is as follows

SUMs delivered (will be credits)	SUMs income £000 (£170 per sum)	Fee income £000	Total income £000	Staff costs £000	Non staff costs £000	Surplus £000
1,650	280	560	780	440	142	198

4.5 In addition the College should maintain the provision of short marine engineering provision in Fraserburgh. This is a 30 hour diesel engineering course that is mandatory for fishing boats and "others" (tugs, pleasure craft). We have the facilities, approval and demand is growing. The Seafish Industry Authority have given assurances that we will maintain this offer. This is not a course taught by SMA staff (it is an engineering course) and we need to build capacity within the Engineering Team at Fraserburgh. This could be done during student holiday periods.

5 Business and Community Development

5.1

	wSUMs Delivered	Target	% Target	Income Actuals £
Tribal	378	13,000	2	15,580
Open and E learning	1,197	2,000	60	74,132
Part time learning/misc	893	3,000	30	22,185
Foyer	1,758	3,000	58	1,201
Full cost				146,000
Other				97,110

The 4,226 wSUMs delivered to date compare with 3,705 as at November 2013.

5.2   Key issues for each of the areas above:

Tribal Contract
This is a "new" contract and is being managed closely. It has the potential to grow beyond the volumes traditionally achieved through the previous contract but has been slow to start. We require 100 new enrolments a week if we are to achieve the target. Tribal maintain that this is possible but we are monitoring closely. The College is in discussion with NHS Grampian and others to extend the range of clients.

Key actions:
- Maintain close monitoring to achieve 13,000 targeted "tribal" wSUMs
- Extend range of clients to NHS Grampian local voluntary sector
- There is no income associated for this area of activity.

Open/Distance Learning
Key issue is availability of tutors to meet demand in some of the key areas. BCD staff have been meeting Heads of School to identify opportunities from within existing staffing prior to outsourcing.

The system is bedding in and training is ongoing

Key actions:
- Continue training on DOT – open learning management system
- Build tutor capacity in key core areas especially maths and communications

Part Time Learning
The part-time programme is progressing to plan and we are looking towards the January starts. An open day/evening is being planned for Macduff to increase interest in courses in that area.

Key Actions:
- Develop specific plan to increase enrolments in Macduff

Foyer Contract
- Princes Trust running in Aberdeen, Peterhead and Fraserburgh
- Foyer REACH (Lifeshapers replacement) now running in Fraserburgh
- Lifeshapers and FM squared also running in Aberdeen.

The Foyer have requested assessor training to help support the above programmes.

There is an opportunity to develop Construction Skills Certification Scheme (CSCS) training in partnership with the Foyer and others. The CSCS card is a passport to work on building sites. Typically it is a 40 hour course followed by assessment. There are others operating locally who are currently delivering this scheme. It is estimated that there are significant numbers awaiting training (200+).

Key Actions:
- Pursue opportunities to deliver CSCS training
- Revisit existing partnership arrangement – talks ongoing
- Consider opportunities to deliver "skills academies" – energy, retail, catering
- Extend Assessor training to range of partners to develop capacity and scope for more commissioned work.

MA Programme

164 places awarded via SDS and a further 30 full cost from local companies. Approx 30 places still to be allocated with welding in particular down on last year. Approx 480 currently live on the system across all years.

The value of this contract is £87,200 and the latest forecast to SDS showed we had spent £527,000 (60%).

The MA tender for 2015-16 was issued mid November 2014 with a return date before Christmas. We will target at least same volume as previous years. We are consulting with partners whether we need to extend scope beyond engineering and hairdressing.

Key Actions:
- Complete MA tender by December 2014
- Improve KPIs on MA programmes – initially benchmark against national averages.

Employability Fund Programme

	Stage 2			Stage 3		
	16-17	18-24	25+	16-17	18-24	25+
City				26 (6)	16 (3)	
Shire	5 (1)	6 (6)		10 (3)	5 (2)	10 (9)

*Places used shown in ()

Unfortunately referrals have been low in each of the courses we have offered. This is a reflection on the unemployment numbers in the area, meaning that those who do attend, tend to have complex needs or low motivation. We have decided to return 18 City places to SDS and are currently investigating options for one future course (possibly construction or care) and discussing with other employability partners. Remaining Shire places have been retained meantime while SDS investigate flexibility across the age bands.

The tender is also issued with return before Christmas. We will bid for ring fenced College places with a view to partnership delivery. Ideally we will increase the number of 25+ places available to us.

Key Actions:
- Complete EF tender by December 2014
- Improve KPIs on MA programmes – initially benchmark against national averages.

bSolutions/Full Cost Recovery

Changes to staffing and the transfer of courses to ASET have reduced bSolutions funding by approx. £185,000 of which circa £75,000 would be profit. bSolutions income for 2014-15 is rebased at £192,000.

The majority of this income is targeted at non-oil and gas training such as first aid, ICT, Care and ongoing full cost SVQs.

A new business plan post transfer of programmes is targeted for January. Current income targets are under review.

The College has a number of significant contracts with the following organisations:

Company	Value (£)
Opito Training Management Ltd	1.3 Million
Skills Development Scotland	1 Million
Shell	313 K
ECITB	267 K
CITB Construction Skills	158 K
Peterhead Training (Score)	150 K
Energy Skills Partnership	44 K

The shaded rows are managed by the BCD team. Below these major accounts there is a long chain of others.

Key Actions:
- Rework budget to reflect loss of income as a consequence of transfer of courses to ASET
- Identify additional funding streams
- Create strategy for account management for major clients
- Increase sponsorship income by £30,000 (approx. 10%).

6 Summary of Key Actions

6.1 SMA
- Continue to support fishermen's training – Modern Apprenticeship, Class 2 and Class 1 and new entrants
- Work with key stakeholders to develop fishermen's training in line with international compliance agencies
- Consolidate portfolio of short courses and maximise income by targeted marketing (see table appendix 1 which shows current portfolio projections for year 16-17)
- Develop and deliver merchant navy cadet programme to maximise income/student numbers.

6.2 BCD
- Maintain close monitoring to achieve 13,000 targeted wSUMs via Tribal
- Extend range of clients to NHS Grampian local voluntary sector
- Continue training on DOT – open learning management system
- Build OL tutor capacity in key core areas especially maths and communications
- Develop specific plan to increase enrolments in Macduff Learning Centre
- Pursue opportunities to deliver CSCS training in partnership with Foyer
- Revisit existing partnership arrangement with Foyer– talks ongoing
- Consider opportunities to deliver "skills academies" – energy, retail, catering
- Extend Assessor training to range of partners to develop capacity and scope for more commissioned work
- Complete MA tender by December 2014
- Improve KPIs on MA programmes – initially benchmark against national averages
- Complete EF tender by December 2014
- Improve KPIs on MA programmes – initially benchmark against national averages
- Rework budget to reflect loss of income as a consequence of transfer of courses to ASET
- Identify additional funding streams
- Create strategy for account management for major clients
- Increase sponsorship income by £30,000 (approx. 10%).

6.3 Where appropriate the above will appear as actions within the College's Operational Plan 2015-16 – some will have commenced and completed. Collectively they present an agenda for the teams.

6.4 In addition to the specific actions above budgets and codings will need to be reviewed to enable more accurate reporting on individual cost centres. This process is ongoing.

7   Recommendation
7.1   It is recommended that the Board note the contents of this report.

Paul Sherrington
Depute Principal

Appendix 1 SMA Income Target 2016-17 – Based on Current Portfolio

COURSE	INCOME PER CANDIDATE (based on 2014-15 fee)	APPROX ANNUAL ENROLMENTS	TOTAL INCOME	CLASS CONTACT HRS PER INTAKE	ANNUAL NO OF INTAKES	TOTAL CLASS CONTACT HRS
Trainee Merchant Navy Deckhand	1,850.00	60	£111,000.00	300	4	1200
Electronic Chart Dispay & Information Systems	800.00	54	£43,200.00	40	6	240
Efficient Deck Hand (EDH)	500.00	40	£20,000.00	35	4	140
GMDSS General Operators Certificate	1,100.00	64	£70,400.00	80	8	640
MCA Signals Examination	60.00	30	£1,800.00	3	10	30
Navigation Aids, Equipment, Simulator Training - M	1,000.00	5	£5,000.00	35	1	35
Class 1 Deck Officer (Fishing)	1,379.00	14	£19,306.00	360	1	360
Class 2 Deck Officer (Fishing)	1,449.00	24	£34,776.00	360	2	720
First Aid at Sea	120.00	10	£1,200.00	7	1	7
Electronic Navigation Systems	500.00	27	£13,500.00	35	3	105
3 Week New Entrant to Maritime	1,500.00	20	£30,000.00	35	2	70
Navigation Control Course	400.00	18	£7,200.00	35	2	70
Officer of the Watch Conversion	950.00	12	£11,400.00	140	1	140
Personal Safety And Social Responsibilities	120.00	10	£1,200.00	7	1	7
Personal Survival Techniques	120.00	10	£1,200.00	7	1	7
RYA Day Skipper	350.00	10	£3,500.00	7	1	7
RYA Coastal master	350.00	10	£3,500.00	7	1	7
RYA VHF Radio Course (SRC)	120.00	10	£1,200.00	7	1	7
Seafish First Aid	120.00	10	£1,200.00	7	1	7
Seafish Fire Fighting	120.00	10	£1,200.00	7	1	7
Seafish Health and Safety	120.00	10	£1,200.00	7	1	7
Seafish Safety Awareness	120.00	10	£1,200.00	7	1	7
Seafish Sea Survival	120.00	10	£1,200.00	7	1	7
HNC/D Nautical Science - blended learning - Scottish	2,000.00	10	£20,000.00	120	10	1200
HNC/D Nautical Science - blended learning - international	7,000.00	10	£70,000.00	120	10	1200
bespoke Bridge Resource Management	400.00	40	£16,000.00	18	5	90
		538	£491,382.00			6317

Report by the Investment and Project Committee

1. Introduction
1.1 The purpose of this paper is to assist the Board of Management to consider the work of the Investment and Project Committee.

2. Background
2.1 The Investment and Project Committee has been delegated authority and responsibility for the fulfilment of the Board's Estates Development Strategy.

2.2 The Committee is required, under its terms of reference, to report to meetings of the Finance and General Purposes Committee and the Board of Management on the business that it conducts.

3. Business Conducted by the Committee
3.1 Since the last meeting of the Board of Management, the Committee has met on two occasions – on 15 July and 18 November 2014.

3.2 The business conducted at the meeting of 15 July was concerned with monitoring progress of works to over-clad and re-roof the Tower and East Blocks at Aberdeen City Campus, and project governance in relation to Estates Development at the Fraserburgh Campus.

3.3 The business conducted at the meeting of 18 November was concerned with the completion of works to over-clad and re-roof the Tower and East Blocks at Aberdeen City Campus.

3.4 Mr Milroy will provide an oral report to this meeting on the business conducted at the meetings of the Committee.

3.5 The next meeting of the Committee is scheduled to take place on 20 January 2015.

4. Recommendation
4.1 It is recommended that the Board consider the information provided on the work of the Investment and Project Committee.

Rob Wallen
Principal

SFC Action-Learning Project Update

1   Introduction

1.1   The purpose of this paper is to provide information to the Board of Management on the progress of North East Scotland College's (NESC) participation in the Scottish Funding Council's (SFC) Action-Learning Project and the development of NESC's enhanced self-evaluation quality model.

2   Background

1.2   The SFC, as part of its quality-related Action-Learning Project, has sought to develop a new college-led process for reviewing the quality of College provision in Scotland. North East Scotland College, along with South Lanarkshire and Ayrshire Colleges, has been identified to pilot and develop a new approach to quality improvement.

1.3   It is anticipated that if this Project is successful then further work will be undertaken to develop a similar approach for other colleges within the sector.

3   The College's Project Management Group and Steering Group

3.1   In order to develop, implement and monitor its contribution to the SFC's Action-Learning initiative the College has established a Project Management Group which comprises of:

- The Principal;
- Depute Principal;
- Vice Principal - Curriculum;
- Vice Principal - Organisational Services;
- Planning Manager;
- Head of Quality;
- Outcome Agreement Manager (SFC);
- College HMI (Education Scotland).

3.2   The College has also established a Steering Group which currently acts as a consultative body for the Project Management Group's proposals. It is intended that the Steering Group will also act as an implementation body once the College's proposed Quality Framework and Quality Cycle have been agreed and finalised. The Steering Group comprises of:

- All members of the College's Project Management Group;
- HR Manager – CPD;
- Head of Student Services;
- Representatives of teaching School staff;
- All Heads of School;
- A Faculty Manager;
- A Curriculum and Quality Manager.

3.3   The Quality Improvement and Assurance Committee (QIAC) of the College's Academic Board and Students' Association representatives have also been involved in discussions relating to the development of the proposed Quality Framework and Quality Cycle. The College continues to work with College staff and the Students' Association to ensure its views are represented in the revised quality proposals.

4   Proposed Quality Framework (Quality Criteria and Evidence)

4.1   From the outset of the SFC's Action-Learning Project the College's Project Management Group began work on developing a bespoke College Quality Framework which could be used to establish the College's effectiveness through agreed quality-related criteria and indicative sources of evidence.

4.2   The Project Management Group has 'fine-tuned' several versions of its proposed Quality Framework. The newest version can be found in Appendix 1.

4.3   The draft Quality Framework provides a succinct set of criteria on which the College will evaluate its quality performance. The criteria, or intended indicators of success, are closely related to - and ultimately derived from - the SFC Regional Outcome Agreement, the existing Education Scotland Quality Framework and the College's Strategic Plan. The criteria are based on the following themes:

- Learner experiences, outcomes and destinations;
- Curriculum breadth, depth and regional spread;
- Access and equality;
- Leadership, vision and direction.

4.4   The College's draft Quality Framework also contains key questions that will help those working with this document to evaluate and ultimately validate the College's quality processes and outcomes. The emphasis of this approach will be on impact rather than process.

4.5   The evidence used to support the evaluation will be provided through the generation of core and supplementary sources.

4.6   The various iterations of the College's proposed Quality Framework document have been positively received by SFC and ES representatives. Recent discussions suggest that both SFC and ES representatives believe the approach taken by NESC could be one replicated across the College sector.

4.7   It is hoped that a final version of the College's Quality Framework will be approved by the Project Management Group on 17 December 2014.

5   Proposed Quality Cycle (Quality Timeline)

5.1   The implementation of the proposed Quality Framework requires the creation, implementation and monitoring of a timeline, or Quality Cycle.

5.2   The Project Management Group, in consultation with others, has produced a draft College Quality Cycle (appendix 2) encompassing the key self-evaluation/quality milestones required throughout the academic year.

5.3   A Curriculum Team version (appendix 3) has also been drafted in order to provide a clear focus for quality improvement in learning and teaching.

5.4   The possibility of extending the length of the College's Quality Cycle beyond a year is currently under review. Members of the Project Management Group continue to consider whether there is potential to better align – over three years – the various College planning cycles. Such a move could lead to a more synchronous and efficient planning process which, in turn, could deliver stronger and more coherent outcomes through the College's Quality Plan, Strategic Plan and Outcome Agreement. Discussions on this particular matter are likely be concluded by the end of December 2014.

6   Proposed Approaches to Lesson Observation

6.1   As part of the SFC Action-Learning Project the College's Project Management Group has also sought to review and revise its approach to evaluating the quality of learning and teaching through lesson observation. The revised proposal (appendix 4) will see the bringing together and implementation of four strands of observation, namely:

- Quality Team-based Formal Observation – To be undertaken by the existing Quality Team-based lesson observers i.e. Senior Lecturers Quality and Senior Lecturers Quality Development;

- Promoted Curriculum Staff (Good Practice) Observation – To be conducted by Faculty or Curriculum and Quality Managers who would conduct "drop-in" observations within their own Faculty/Team staff in order to help identify and disseminate good practice;

- Staff Development (CPD) Team-based Observation – To be conducted by members of the Staff Development (CPD) Team. Members of this team would observe and support new teaching staff within the first 3 months of them starting a teaching role. The Staff Development Team would also observe staff undertaking teaching, assessment and verification qualifications as necessary to meet the needs of the qualification and report on these as required;

- Education Scotland-based Observation – ES Associate Assessors would conduct formal observations of teaching staff in order to provide an external and objective perspective to the quality of learning and teaching. It is also proposed that ES Inspectors will also witness observations taking place by Quality Team Senior Lecturers in order to moderate the quality of the observation process itself.

7   Proposed Composition for Validation Panel

7.1.   As the work on this Project continues into 2015 the College's Project Management Group is seeking to establish a Validation Group formed from individuals working on behalf of key College stakeholders including those representing students, employers, industry bodies, local authorities, local universities, the SFC and ES.

7.2   It is anticipated that members of the Validation Panel will provide the degree of rigour and challenge needed to ensure that the revised self-evaluation processes provide sustainable, positive and ever-improving impacts for students and other stakeholders.

7.3   It will also be within the remit of the Validation Panel's remit to endorse the College's revised self-evaluation report.

8   Next Steps

8.1   It is anticipated that both the draft Quality Framework and Cycle will be completed and approved by the College's Project Management Group in December 2014.

8.2   A participants' meeting for those involved in the SFC's Action-Learning Project is due to take place late January/early February 2015. This will soon be followed by a further meeting scheduled for the end of February 2015 when representatives from the three pilot Colleges will present their respective proposals to the SFC's Project Board.

8.3   It is anticipated that the communication and implementation of the new arrangements, along with formal evidence gathering for self-evaluation reporting, will commence early in 2015.

9   Recommendation

9.1   It is recommended that the Board note the information provided in this paper.

Rob Wallen   **Neil Cowie**
Principal   Vice Principal - Organisational Services

Appendix 1 – NESCol Quality Framework (Key Quality Criteria and Evidence Sources) (Draft)

NORTH EAST SCOTLAND ACTION LEARNING PROJECT PLANNING – CRITERIA, KEY QUESTIONS AND EVIDENCE FOR SELF-EVALUATION

The North East Scotland College Action Management Group have drafted a set of criteria upon which they propose their self-evaluation report for the SFC Action Learning Project Plan will be based. The criteria and associated key questions have been mapped to the existing Education Scotland Quality Framework and the College Regional Outcome Agreement to ensure all key priorities are covered. The key questions have been designed to make the report clearly understandable to a full range of potential stakeholders.

Lines of evidence to be used for each of the criteria have also been identified and classified into "core evidence" sources - which the group consider essential - and supplementary evidence which could be used to provide context, explanation or support an argument.

The criteria have also been mapped to the College Strategic Aims for 15-16 and each has identified associated indicators of success.

Self-Evaluation Criteria, Key Questions and Strategic Aims for North East Scotland College

SFC Reference	Criteria and Indicators of Success	Key Questions (alternates in split cells)	North East Scotland College Strategic Aims
High Quality and Efficient Learning & A Developed Workforce	**Learner experience, outcome and destinations** • High and improving levels of learner retention and attainment	How good is our learning and teaching?	To create personal and business growth through learning
	• High and improving proportions of learners on positive progression routes		To provide accessible programmes of study that lead to positive outcomes for learners
	• High quality learning and teaching	How many of our learners succeed and progress onto related employment, training or education?	
Right Learning in the Right Place	**Curriculum breadth, depth and regional spread** • Curriculum which provides access to courses and pathways to positive destinations for all those who are able to benefit from them including those who may encounter barriers to learning	How well do the courses provided meet learner and regional employer needs?	To create personal and business growth through learning
	• A coherent spread of national/ specialist courses across the region which meets the needs of the region	How well does the College work with partners to support learner and regional needs?	To provide accessible programmes of study that lead to positive outcomes for learners
Access for People from the Widest Range of Backgrounds	**Access and Equality** • Effective and efficient support for learning and learners	How well does the College provide information, guidance and support for learners?	To create personal and business growth through learning
	• Opportunity and support for learners from protected characteristic groups and those from deprived postcodes to ensure participation, success and satisfaction is representative	How well does the College promote wider access and equality?	To provide accessible programmes of study that lead to positive outcomes for learners
Sustainable Institutions & Efficient Regional Structures	**Leadership, vision and direction** • Effective motivation, development and support of staff to ensure positive engagement and a high quality service	How effective is College leadership in supporting a high quality service to learners?	To achieve maximum impact from the available resources
	• Effective change management to ensure efficient and flexible organisational responses to environmental changes	How well is the College managed?	
		How well does the College support the regional economy?	

CRITERIA FOR EVALUATION	KEY QUESTIONS	CORE EVIDENCE	SUPPLEMENTARY EVIDENCE	SFC STRATEGIC AIMS/ES QIs
Learner experience, outcomes and destinations	1. How good is our learning and teaching?	Learner feedback and associated impact • Surveys • Focus/discussion groups • Liaison meetings • Complaints and compliments Lesson observation	Course and curriculum team self-evaluation reports Quality assurance activity • internal audit • internal verification Quality improvement activity • Sharing good practice Awarding body feedback • External Verification reports • Validation and development visits	**High quality & efficient learning** *To ensure that learner journeys are as short, efficient and effective as possible and that learners experience the highest quality of learning and teaching and achieve successful outcomes.* **A developed workforce** *To provide learners with the skills and knowledge they need to get a job or get a better job, keep a job and develop a career* <u>Education Scotland QIs</u> **1.2 Retention, attainment and progression trends**
	2. How many of our learners succeed and move onto positive destinations?	PIs for retention and attainment Learner destination data	Data on provision of MAs Data on provision of work placement opportunities for learners Documented evidence of learner wider achievement	**2.3 Learner progress, attainment and wider achievement** **5.2 The learning process** **5.3 The teaching process and its context**

5.4 Assessment for learning

5.5 Information, guidance and support

5.6 Enhancement of learning and teaching through self-evaluation and internal review

8.1 Partnership working with communities, other learning providers, employers and other agencies.

Curriculum breadth, depth and regional spread			Right learning in the right place, including access for people from the widest range of backgrounds
	3. How well do the courses provided meet regional needs?	Maps of mode of attendance, entry and progression routes in all curriculum areas, including potential destinations at each exit point (prospectus and progression routes)	Data on range of employers and community groups using College services
			To secure coherent provision of further and higher education in Scotland.
	4. How well does the College work with partners to support regional needs?	Employer liaison data	Employer and agency feedback
		Map regional spread of courses, including representation of national and regional priorities	Regional body partnership feedback (local authorities, Chamber of Commerce etc)
		Regional skills assessment	Report on Wood report developments
		Self-evaluation reports for School and HE partnerships	**Education Scotland QIs**
			2.2 Relevance of programmes and services to learner needs
			Documented evidence of community partnerships informing regional community needs
			4.1 Relevance of programmes and services to the economy and to employers
			Documented evidence of developed partnerships which support the National Gaelic Language plan
			4.2 Relevance of programmes and services to the needs of communities and other learning providers

Access and Equality			
5. How well does the College provide information, guidance and support for learners?	Learner and staff equalities data to show populations are representative of the local demographic	Recorded support data	**Right learning in the right place, including access for people from the widest range of backgrounds** *To improve access to further and higher education for people from the widest possible range of backgrounds.*
	PI data for learners from protected characteristic groups (applications, enrolments, outcomes and destination)	Learner feedback and associated impact • Surveys • Focus/discussion groups • Liaison meetings • Complaints and compliments	**Education Scotland QIs**
6. How well does the College promote wider access and equality?	PI data for learners from most deprived postcodes (applications, enrolments, outcomes and destination)		2.1 Accessibility, flexibility and inclusiveness of programmes and services.
	PI data for care leavers (applications, enrolments, outcomes and destination)		
	Course provision and PI data for programmes for learners with learning difficulties (applications, enrolments, outcomes and destination)		**5.1 Programme design**
	Equalities outcome report		
	Equalities mainstreaming report		

Leadership, vision and direction		Strategic plan(s)	Documented evidence of shared services	Sustainable Institutions and Efficient Regional Structures
	7. How effective is college leadership?	Investors in People award	Regional estates development strategy	*To secure, well-managed and financially and environmentally sustainable colleges.*
	8. How well is the College managed?	ISO 18001 Award	Board self-evaluation	
		ISO 14001 Award	SMT Self-evaluation	*To deliver efficient regional structures to meet the needs of the region.*
		Data demonstrating action supporting Climate Change (Scotland) Act 2009	CPD Self-evaluation	**Education Scotland QIs**
	9. How well does the College support the regional economy?	Data demonstrating action supporting SFC Financial Memorandum, in particular the principles of good governance and institutional sustainability	HR self-evaluation	1.1 Achievement of educational aims, objectives and targets
				1.2 Adherence to statutory principles
				3.1-3.3 Impact on staff
				6.1-6.4 Providing direction and facilitating change
				7.1-7.5 Management and support of staff
				8.2 Management and use of resources and learning environments

9.1 -9.4 Educational leadership and direction

North East Scotland College
ALP Evidence Timeline

Operational plan
Employer and partner feedback collection
Strategic planning
Staff perception data collection

Learning &Teaching Development Committee meeting
PI prediction meeting and part 3 self-evaluation completed for FT courses
Learner Satisfaction survey part 2

ROA for next AY published
Estates development strategy
Climate change and financial reporting
Review equalities outcomes and reporting

Progress report on ROA for current AY
Sign off ROA for next AY
Learning &Teaching Development Committee meeting
PI prediction meeting and part 2 self-evaluation completed for FT courses
Learner Satisfaction survey part 1

Operational planning and review
Review risk register
Collation of customer care data
Collation of external verification and approval feedback

Review business continuity plan
Collation MA & work placement data
Report on employer and agency engagement
Final course level self-evaluations completed
Support team self-evaluation completed

Board, SMT & ROA Self-evaluation
Collation of PI data, including equalities outcomes
School partnership self-evaluation
HE partnership self-evaluation
Team/Faculty Self-evaluations

Interim review of operational plans
Review business continuity plans
Collation of learner destination data

College annual review?
Complete first draft of ROA for next AY
Activity planning to include regional skills assessment
Review risk register

Curriculum area development plan
Reference group review of college self-evaluation
Submit College Self-Evaluation
PI prediction meeting and part 1 self-evaluation completed for FT courses

Strategic development plan
Commence development of ROA for next AY
Complete College Self-evaluation
Learning &Teaching Development Committee meeting
Learner First Impressions survey complete
Curriculum mapping completed
School and HE partnership reviews completed

Period of Lesson observation activity; Internal audit activity; Learner feedback activities

May
June
July
August
September
October
November
December
January
February
March
April

**North East Scotland College
Curriculum Team Quality
Framework Timeline**

Employer and partner feedback collection
Complete block 2 final verification
Complete block 2 resulting
Draft block 1 timetable change requests and confirmation
Protocol requests submitted for 15-16 block 1
Review learning and teaching process and learner experience

PI prediction meeting and part 3 self-evaluation completed for FT courses
Learner Satisfaction survey part 2
Deadline for final change requests to CAP
Draft block 1 timetables available for consultation

Deadline for new FE course requests to CAP
Deadline for estimate submission for SQA national courses

Deadline for alternative assessment arrangement requests for SQA external examinations
Submit draft programmes of study for 15-16

Complete block 1 verification and resulting
Complete block 2 pre-delivery verification
PI prediction meeting and part 2 self-evaluation completed for FT courses
Learner satisfaction survey part 1
Room utilisation survey
Course material for bursary requests to Schools

Final course level self-evaluations completed
Complete course overviews (14-15)
Complete block 1 pre-delivery verification
Submit confirmed programmes of study to timetable team and student records
Confirm all staff availability for block 1
Block 1 timetables published and confirmed to student records

Team/Faculty Self-evaluations

Learner First Impressions survey complete
Curriculum mapping completed
PI prediction meeting and part 1 self-evaluation completed for FT courses
Room utilisation survey
Verification for group award entries issued
CP1 for 2015-16 FT courses issued
FT Applications for 15-16 opened

Curriculum area development plan

Draft block 2 timetables available for consultation

Collation of learner destination data
Deadline for new HN course requests to CAP
Block 2 timetables confirmed with timetabler
Protocol requests submitted
Final block 2 timetables confirmed & published
Deadline for adapted question paper requests for SQA external examinations
Deadline for entries for SQA external exams submissions
Deadline for entries for SQA external exams submissions
Deadline for entries for SQA external exams submissions

Period of Lesson observation activity; Internal audit activity; Learner feedback activities

May
April
March
February
January
December
November
October
September
August
July
June

Appendix 4 – NESCol Lesson Observation Proposal

Lesson observation is a valuable tool in the development and evaluation of effective learning and teaching in the College. It is recognised that it may be used in different ways to evaluate the quality of learning and teaching; support staff and develop effective practice.

Observation is essential to provide an objective contribution to the college's self-evaluation of the quality of learning and teaching, learner engagement and quality culture. A single, common model of formal lesson observation is required for the regional college to allow for the effective evaluation of the quality of learning and teaching whilst making best use of the available capacity. This function would provided by the Quality Team.

Observation is also a tool which is used to assist in the evaluation; identification of support need and development of new staff. New staff in College require development and support in their learning and teaching practice according to their previous experience and qualifications. This would be provided by the CPD team and subject peers.

Observation is a tool used by peers to identify and share good practice in learning and teaching is also recognised. There would therefore also be a separate system where Faculty or Curriculum and Quality Managers "drop-in" to classes in their area with the purpose of identifying areas of good practice which could be utilised more widely.

As a result of the College involvement in the SFC Action Learning Project, Education Scotland would have role to play in developing and supporting the formal lesson observation process as well as moderating its quality and effectiveness.

1. **The Quality Team Role**

   - A system of formal lesson observation for permanent College teaching staff would be undertaken by the existing lesson observers (Senior Lecturers Quality) and the Senior Lecturers Quality Development
   - Education Scotland (ES) would be invited to participate in the training, observation and standardisation processes
   - The observation process would be conducted by trained observers who participate in standardisation procedures and moderate each other's work. All observers would be trained on the requirements of the system and would conduct an annual review of its activity and impact
     - Three SLQs could conduct approximately 25 observations each (75)
     - Three SLQDs could conduct approximately 15 observations each (45)
     - PN staff would be observed by a separate process undertaken by the Quality Compliance Manager
   - Observation would be annual for all staff until a record of high performance is established, in which case lower frequency or shorter observations could be applied
   - Priority would be given to observations in subject areas where learner outcomes or experience is low
   - Observations would be unannounced, except for new staff who would have 2 announced observations in the first instance
   - The observation process would be based on criteria listed in the existing Education Scotland (ES) model
   - The person observed would be asked to complete a self-evaluation of the lesson
   - Feedback from the learners in the observed lesson would be sought and collated
   - Observations would be followed up by a detailed professional discussion between the observer and the person observed
   - Observations would be subject to an overall judgement reflecting the evaluation of the observer, the person observed and the learners involved

- Observations would be subject to a formal record which would be shared with the person observed and their line manager.

2. Promoted Curriculum Staff Role

- Faculty or Curriculum and Quality Managers would conduct "drop-in" observations within their own faculties/teams to help identify good practice
- These observations would not require a formal record
- Observations would not be subject to grading
- Areas of good practice identified would be recorded in a good practice log and disseminated across their own teams and the wider college where appropriate
- Faculty Managers, Curriculum and Quality Managers and Quality team staff would meet twice annually to discuss the findings of observation and identify methods of developing good and innovative practice more widely.

3. The CPD Team Role

- The CPD team would observe new staff within the first 3 months of starting a teaching role to establish training needs and provide support appropriate to their experience and qualifications
- The CPD team would observe staff undertaking teaching, assessment and verification qualifications as necessary to meet the needs of the qualification and report on these as required
- Where possible, observations for the purposes of learning and teaching qualifications would be combined with formal college processes to limit the number of observations required.

4. Education Scotland Role

- Associate Assessors from Education Scotland could conduct some of the formal observations
- An HMI could observe some observations to moderate the quality of the process
- The College HMI would support the training and development of observers.

Internal Audit Programme, 16 months to 31 July 2015

1. Introduction

1.1. The purpose of this report is to enable the Board of Management to consider the internal audit programme for the financial reporting period of the 16 months to 31 July 2015 (2014-15) adopted by the Audit Committee.

2. Background

2.1. The Audit Committee, at its meeting on 18 November 2014, considered the establishment of a programme of internal audit work for the current financial reporting period.

2.2. Wylie and Bisset, the internal audit service provider, proposed the programme, which is set out in a report on the Audit Needs Assessment carried out by the firm. The report is attached as appendix 1 to this paper.

2.3. The Committee adopted the internal audit programme for the financial reporting period, which is now presented to the Board for its consideration.

3. Recommendation

3.1. It is recommended that the Board note the programme of internal audit work for the financial reporting period 2014-15 adopted by the Audit Committee.

Rob Wallen
Principal

Roddy Scott
Vice Principal Finance

North East Scotland College

Audit Need Assessment

2014 - 2017

November 2014

www.wyliebisset.com

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2

1. Introduction

Background

Wylie & Bisset LLP were re-appointed as Internal Auditors by the Board of Management with effect from 1 April 2014 until 31 July 2017 with an option to extend by a further two years on the agreement of both parties.

Internal Audit

In accordance with North East Scotland College's ("the College") Financial Memorandum with the Scottish Funding Council("the Council") the Board of Management is required to secure the provision of an effective Internal Audit Service (IAS). The prime responsibility of the IAS is to provide the Board of Management, the Principal and other senior management of the College, with an objective assessment of the adequacy and effectiveness of management's internal control systems.

The IAS should objectively examine, evaluate and report on the adequacy of internal control thus contributing to the economic, efficient and effective use of resources and to the reduction of the potential risks faced by the College. Also, the operation and conduct of the IAS must comply with the Government Internal Audit Standards and be carried out in accordance with the standards and guidelines set down by the Chartered Institute of Internal Auditors.

Terms of Reference – Internal Audit

The provision of the IAS by Wylie & Bisset LLP is covered by the letter of engagement dated 24 October 2014.

Formal Approval

The Audit Needs Assessment (ANA) has been developed based on discussions with the Chair of the Audit Committee and the Principal and Vice Principal (Finance) of the College. The ANA was presented to the Audit Committee of the College on 18 November 2014.

2. Approach

The Process

The ANA has been produced based on the following:

∨ Discussions with the Chair of the Audit Committee;

∨ Discussions with the College's Principal;

∨ Discussions with the College's Vice Principal Finance;

∨ Review of the College's High Level Risk Register;

∨ Review of the College's Operational Risk Register;

∨ The identification of all areas of work by system and sub-system;

∨ The grouping of systems for audit purposes;

∨ The identification of key controls and associated risks for each system and sub-system;

∨ The determination of the internal audit resource required to meet the identified audit needs;

∨ Discussions with the Audit Committee.

Summary of Systems

The summary of the systems operated by the College is included in Appendix A.

2. Approach

Revisiting the ANA

The ANA will be reviewed continuously throughout our appointment, and will take account of the results of audit work, the development of new systems and any other risk factors identified. Any proposed changes to the ANA will be presented to the Audit Committee for discussion and approval.

Core Audit Team

Name	Role	Email Address
Ross McLauchlan	Partner	ross.mclauchlan@wyliebisset.com
Graham Gillespie	Associate	graham.gillespie@wyliebisset.com
Paul Urquhart	Senior	paul.urquhart@wyliebisset.com

Operational Plan – 2014/15

Audit Area	High level indicative summary scope	Total Number Of Days
Follow Up Review	A review will be undertaken to follow up on prior year audit recommendations to ensure these have been fully implemented by the College. We will follow up on all of the high priority recommendations, 50% of the medium priority recommendations and 10% of the low priority recommendations.	5
Purchasing, Payments & Procurement	The review will involve detailed checks on all areas of purchasing and payments to ensure that these are correctly recorded in the financial systems of the College and that there is compliance with the College's financial procedures and controls as well as testing completeness of purchases and the processes in place for credit card purchases. We will also undertake sample testing on the controls in place in respect of procurement.	5
Corporate Governance	The purpose of the review is to ensure that the College has appropriate governance arrangements in place and that these have been embedded throughout the whole College. This will be a high level review to ensure the College's Corporate Governance arrangements are appropriate and represent good practice.	3
Payroll	Our review will concentrate on ensuring that the payments made are accurate and based on bona fide hours worked. It will also consider all deductions and additions to salaries to ensure that these are correctly calculated and properly authorised. The review will also ensure that there are appropriate controls in place and payroll procedures have been documented and are being adhered to by all staff involved. Where applicable, we will also ensure that any severance payments made are in line with the College's severance scheme and have followed the appropriate governance arrangements.	4

Operational Plan – 2014/15

Audit Area	High level indicative summary scope	Total Number Of Days
IT Systems	A review will be undertaken on the IT Systems of the College to ensure the appropriate controls are in place and working as expected. In particular, the review will focus on the security of the network and the storage of backup information.	5
Finance System	A review will be undertaken on the new finance system of the College to ensure that the system is operating as expected, the appropriate controls are in place and that these controls are being adhered to by staff.	3
Fixed Asset Management	The review will focus on the systems and procedures in place for fixed assets, compliance with the systems and procedures in place and the overall controls in relation to the physical safeguarding of assets.	4
Work based learning including SDS Funding	This review will look at the arrangements in place in relation to work based learning provision. The review will focus on a sample of employer and learner files to ensure the appropriate reviews have been carried out and all files include the appropriate documentation. The review will look at the accuracy of information being supplied to senior management. The review will also look at the funding received by Skills Development Scotland to ensure that the College are fully compliant with the guidance for this area.	6

Operational Plan – 2014/15

Audit Area	High level indicative summary scope	Total Number Of Days
Aberdeen Skills & Enterprise Training Ltd	This annual review will look at compliance with the Company's systems and procedures, the overall controls in place to ensure accurate recording of information within the company. The review will also look at UKBA compliance.	5
Human Resources	The review in this area will focus on recruitment procedures; ensuring initial pay rates are in line with guidelines, on the performance measurement system, training and development procedures and also on the sickness absence monitoring undertaken by the College. It will also consider the various staffing policies the College has in place, including those covering severance agreements and redundancy if appropriate.	4
Estates Management	Our audit work will consider the strategic and operational arrangements in place in respect of Estates Management at the College. The review will also look at whether the College are attaining the best value from the systems in place. The review will also look at the decision making process and management of estates projects.	4
Risk Management	The purpose of the review is to ensure that the College has appropriate risk management arrangements in place and that these have been embedded throughout the whole College. This will be a high level review to provide assurance to the Board, via the Audit Committee, that the College's risk management arrangements are adequate.	2

Operational Plan – 2014/15

Audit Area	High level indicative summary scope	Total Number Of Days
Student Records	The review will focus on the systems and procedures in place for recording student records, and compliance with the College's systems and procedures. It will also look at the overall controls in place to ensure the correct recording of student records and the accuracy of information supplied for management decision making. The review will also consider the efficiencies of the online application system for Bursary Awards.	4
Departmental Review – Creative Industries, Computing & Business Enterprise	The review will focus on the structure and workload within the department, compliance with the College's systems and procedures and the overall systems and controls in place to manage the department. The review will also review the level of reporting produced by the department.	5
Departmental Review – Engineering Technologies	The review will focus on the structure and workload within the department, compliance with the College's systems and procedures and the overall systems and controls in place to manage the department. The review will also review the level of reporting produced by the department.	5

Assignment Plans

A detailed assignment plan will be prepared for each audit undertaken, setting out the scope and objectives of the work, allocating resources and establishing target dates for the completion of the work. Each assignment plan will be agreed and signed off by an appropriate sponsor from the College.

Key Dates

Visit	Audit Areas	Key College Personnel	Provisional Date for Visit	Date of Issue of Draft Report	Provisional Date for Reporting to Audit Committee
Visit 1	Follow Up Review Finance System Fixed Asset Management Purchasing, Payments & Procurement Payroll	Roddy Scott Roddy Scott Roddy Scott Roddy Scott Roddy Scott	W/C 26 January 2015 & W/C 2 February 2015	20 February 2015	17 March 2015
Visit 2	Corporate Governance Risk Management Estates Management Human Resources Aberdeen Skills & Enterprise Training Ltd Student Records	Pauline May Roddy Scott Roddy Scott Elaine Hart Sharon Scott Neil Cowie	W/C 9 March 2015 and W/C 16 March 2015	3 April 2015	19 May 2015
Visit 3	Departmental Review – Engineering Technologies Departmental Review – Creative Industries, Computing & Business Enterprise IT Systems Work Based Learning inc SDS Funding	Bill Rattray John Davidson Paul Sherrington Paul Sherrington	W/C 18 May 2015 and W/C 25 May 2015	12 June 2015	21 July 2015

4. Reporting

The reporting arrangements for internal audit have been discussed and agreed with the Audit Committee. The following reports will be produced by internal audit.

- ▼ An Audit Needs Assessment;
- ▼ A report on each audit assignment;
- ▼ An in-year progress report;
- ▼ An annual report on IAS's activities.

For each recommendation a target date for remedial action will be set taking into the account the degree of priority associated with the recommendation.

The draft report for each assignment will be discussed with the auditees and the factual accuracy agreed prior to issue of the report in its final form.

The auditees will be required to respond to the recommendations stating their proposed action and nominating the person responsible for each action point.

Appendix A – Summary of Internal Audit Input

1 April 2014 to 31 July 2017

System	Audit Area	Operating Plan (No. Of days)		
		2014/15	2015/16	2016/17
Financial System	Budgetary & Financial Controls		4	
	Income Collection & Credit Control		5	
	Purchasing, Payments & Procurement	5		5
	Payroll	4		4
	Finance System	3		
	Fixed Asset Management	4		4
Non Financial Systems	Management of Contract Managed Services		5	
	Work Based Learning inc SDS Funding	6		
	Human Resources	4		
	Estates Management	4		4
	Student Records	4		
	Enrolment, Attendance & Applications		3	
	Strategic & Business Planning		4	
	Balance C/F	*34*	*21*	*17*

Appendix A – Summary of Internal Audit Input

1 April 2014 to 31 July 2017

System	Audit Area	Operating Plan (No. Of days)		
		2014/15	2015/16	2016/17
	Balance B/F	*34*	*21*	*17*
IT	IT Systems	5		5
Governance	Corporate Governance	3		3
	Risk Management	2	4	2
Other	Freedom of Information		4	
	Aberdeen Skills & Enterprise Training Ltd	5	5	5
	Departmental Reviews	10	10	10
	Data Protection		4	
	Areas to be agreed/VFM areas		16	18
Required	Follow Up review	5	4	4
	Audit Management	6	6	6
	Total Days	**70**	**70**	**70**

For each area of review we assign a grading in accordance with the following classification:

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, some minor recommendations identified
Substantial	Controls largely satisfactory although some weaknesses identified, recommendations for improvement made
Weak	Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately
No	No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately

For each recommendation we make we assign a grading either as High, Medium or Low priority depending upon the degree of risk assessed as outlined below:

Grading	Risk	Classification
High	High Risk	Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by senior management of the College as a matter of urgency
Medium	Medium Risk	Significant issue or weakness which should be addressed by the College as soon as possible
Low	Low Risk	Minor issue or weakness reported where management may wish to consider our recommendation

Appendix C – Key Performance Indicators

Analysis of Performance Indicators

Performance Indicator	Target
Internal audit days completed in line with agreed timetable and days allocation	100%
Draft scopes provided no later than 10 working days before the internal audit start date and final scopes no later than 5 days before each start date	100%
Draft reports issued within 10 working days of exit meeting	100%
Management provide responses to draft reports within 15 days of receipt of draft reports	100%
Final reports issued within 5 days of receipt of management responses	100%
Recommendations accepted by management	100%
Quarterly progress reports to be provided for discussion at each audit committee meeting	100%
Draft annual internal audit report to be provided by 31 August each year	100%
Attendance at audit committee meetings by a senior member of staff	100%
Suitably experienced staff used on all assignments	100%

NESC Committee Structure

1. Introduction

1.1 The purpose of this paper is to provide the Board of Management with an opportunity to note the College's Committee Structure.

2. Committee Structure

2.1 Attached as appendix 1 to this paper is a copy of the College's Committee Structure.

2.2 The document details the frequency, composition, purpose and chair of key Senior Management, Advisory Group and School meetings and the relationships between various meetings.

2.3 It may be interesting to note that in comparison to a similar document which existed for the former Aberdeen College, the number of types of meetings has significantly decreased attributed to restructuring, streamlining and/or new ways of working.

3. Recommendation

3.1 It is recommended that the Board notes the College's Committee Structure.

Rob Wallen
Principal

COMMITTEE STRUCTURE

NORTH EAST SCOTLAND COLLEGE

11c01/14

Board of Management

- Learning & Teaching and Student Services Committee
- Human Resources Committee
- Finance & General Purposes Committee
- Audit Committee
- Investment & Project Committee
- Selection & Appointments Committee
- Remuneration Committee
- Premature Retirement Committee

Principal

Senior Management Team

Senior Management Meetings

Advisory Groups

SENIOR MANAGEMENT TEAM MEETING
Frequency: Weekly.
Composition: SMT, Planning Manager
Purpose: To discuss and address matters of a strategic nature together with issues of current importance. Includes Core Brief when required.
Chair: Principal.

IT STRATEGIC BOARD
Frequency: Twice a year.
Composition: SMT, of IT and Technical Services, Relevant external contractors.
Purpose: To establish the priorities for IT development.
Chair: Depute Principal.

HEALTH & SAFETY COMMITTEE
Frequency: Four times a year.
Composition: 3 Heads of School, Health & Safety Manager, Environmental & Sustainability Manager, Facilities Client Services Manager, Contracted Security Representative, Occupational Health Nurse, Union H&S Representative, President of Students' Association.
Purpose: To advise and make recommendations to the Principal on H&S matters.
Chair: VP Human Resources.

ACADEMIC BOARD
Frequency: At least once a term.
Composition: Relevant members of SMT, relevant managers, staff representative, student representative.
Purpose: To advise the Principal on issues relating to the Curriculum.
Chair: VP Curriculum.

FOUR SUB-COMMITTEES
Learning & Teaching Development
Quality Improvement & Assurance
Curriculum Approval Panel
Inclusiveness & Guidance.

CURRICULUM PLANNING GROUP
Frequency: As required.
Composition: Heads of School, Head of Marketing & PR, Planning Manager.
Purpose: To consider curriculum planning & developments.
Chair: VP Curriculum.

EQUALITIES IMPLEMENTATION COMMITTEE
Frequency: Three times a year.
Composition: Various staff representatives, Students' Association, Union Representatives.
Purpose: To support the College in the promotion of equality and diversity through all of its activities and functions that reflects its legal duties as well as social and moral responsibilities.
Chair: VP Human Resources.

Management of Schools and related activities

GOOD PRACTICE MEETING
Frequency: Throughout the Academic Year.
Composition: Faculty Managers, Curriculum & Quality Managers, Lecturers, Instructors, Support Teams. (Separate meetings held for each group).
Purpose: To provide a forum for the exchange of good practice.
Chair: VP Curriculum.

EQUALITY & DIVERSITY STRATEGY GROUP
Frequency: Four times a year.
Composition: VP Organisational Services, Head of Quality, Head of Student Services, Head of School (EST), HR Manager, HR Manager (People Development).
Purpose: To develop equality and diversity strategy for the College and make recommendations to the SMT and the Board for implementation.
Chair: VP Human Resources.