

Board of Management - Action and Decision Log
Meeting No 44 – 14 December 2023

(Paper 1a)

Meeting Date	Agenda Item	Reference	Details	Action Owner	Due Date	Action / Decision	Open / Complete / Approved / Declined
31/10/23	Performance Dashboard	BOM43: A01	Board Members are requested to access, test and feedback to David Davidson on the performance Dashboard available via the Teams App Power BI	David Davidson /Board Members	14.12.23	Action	
31/10/23	Board & Committee Terms of Reference & 2023/24 Work Plans (Paper 5b) (P)	BOM43: D01	The board approved the Board and Committee Terms of Reference and 2023/24 Work Plans	NA	NA	Decision	Approved
31/10/23	Board & Committee Terms of Reference & 2023/24 Work Plans	BOM43: A02	ARC, LTQC & BRIC Committees are requested to consider the option of reducing the number of meetings by discussing the requirements of workplans for AY24/25, feeding back to the Board for the March meeting.	Committee Chairs	28.03.24	Action	Completed via Committee Chair reports for Dec meeting
31/10/23	Board Effectiveness Report 2022-23 & Development Plan 2023-24 (Paper 5c) (P)	BOM43: D02	The Board approved the Board Effectiveness Report 2022-23 & Development Plan 2023-24	NA	NA	Decision	Approved
31/10/23	Evaluation of Effectiveness of Board (Chair) 2022-23 (Paper 6) (R)	BOM43: D03	The Board approved the Evaluation of Effectiveness of Board (Chair) 2022-23 Report.	NA	NA	Decision	Approved
31/10/23	2023-24 Outcome Agreement & 2022-23 Self-Evaluation Report (Paper 7) (R)	BOM43: D04	The Board approved the draft 2023-24 Outcome Agreement & 2022-23 Self-Evaluation Draft Report for submission to SFC	NA	NA	Decision	Approved
31/10/23	2023-24 Outcome Agreement & 2022-23 Self-Evaluation Report (Paper 7) (R)	BOM43: A03	A Campbell to bring updated Report to the December Board meeting.	A Campbell	14.12.23	Action	
31/10/23	2023-24 Ayrshire College Risk Register as at Sept 2023	BOM43: D05	The Board approved the 2022-23 Ayrshire College Risk Register as at Sept 2023.	NA	NA	Decision	Approved
31/10/23	2023-24 Ayrshire College Risk Register as at Sept 2023	BOM43: A04	Board session on risk to be scheduled.	A Ritchie/ H Denholm	July 24	Action	

Meeting Date	Agenda Item	Reference	Details	Action Owner	Due Date	Action / Decision	Open / Complete / Approved / Declined
31/10/23	College Transformation Projects	BOM43: A04	A Campbell to bring updated plan to the December Board meeting following discussion and agreement at BRIC.	A Campbell	14.12.23	Action	Completed

Board of Management**14 December 2023**

Strategic Objective	SO1	An inspirational college experience
Reference:	SO2	Embedding diversity and inclusion
<i>(delete as appropriate)</i>	SO5	High performing college underpinned by excellence in stewardship and governance
	SO7	Developing staff and students to enable excellence

Subject/Purpose: Student Association Report

Action Required: To note

Appendices: No
(yes/no)

1. Summary/Key Points

The Student Association team for 2023 consists of two elected officers. The Student President, Linda Corbett, and Student Vice President, Tim Chan. The Student Association is governed by a Student Executive Committee within which students hold various volunteer officer roles. The work of the Student Association is supported by a Student Association Advisor, and is overseen by the Head of Quality Enhancement, Ann Heron.

2. Proposals and Recommendations

The Student Association proposes to re-engage with the Wear it On Your Sleeve Peer Support Group as part of its ongoing actions relating to the Student Mental Health Agreement.

The Student Association proposes to continue with recruitment of Student Officer to their Executive Committee to ensure good governance.

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

3. Associated Risks

None

4. Equality and Diversity Impact Assessment (if applicable)

None

5. Current Situation

Student Association Governance

Officer Recruitment

The Sabbatical Officers undertook a review of the current Student Officer roles within their Executive Committee as part of their Operational and Enhancement Plan Review. It was agreed that there was scope for additional roles including:

- An English Speakers of Other Languages (ESOL) Officer
- A Sustainability Officer
- An Equality and Diversity Officer
- A Men's Officer

Recruitment for these Officers commenced in September and applications were closed in mid-October. Marketing for the roles included an all-student email, posters in key campus locations, posting directly into our LGBT+ Teams channel and engagement with relevant Curriculum Managers.

The Student Association also undertook recruitment for the vacant Transgender Officer role and, with agreement, from the Executive Committee, recruitment to increase the number of LGBT+ Officers to ensure cross campus representation.

Applications received were as follows:

LGBT+ Officer	-	10 applicants
ESOL Officer	-	2 applicants
Equality & Diversity	-	1 applicant
Transgender Officer	-	2 applicants
Sustainability	-	0 applicants
Mens Officer	-	1 applicant

The Student President and Vice President reviewed all applications and are actively engaging with select candidates to ensure suitability and offer any support that may be required to undertake the role.

An additional LGBT+ Officer is now in place to represent the community at the Ayr Campus and the Men's Officer post has also been filled.

The Student Association will continue to actively recruit into the vacant and additional posts, whilst keeping available posts under review.

Executive Committee Engagement

The current Executive Committee have been active and engaged with the Student Association and have supported with decision making for the recruitment of Student Officers, funding applications and upcoming events, campaigns and activities.

Executive Committee Meeting(s)

The first formal meeting of the Committee was delayed due to the demands on time for the Student Officer recruitment and Class Ambassador Programme

implementation. The Committee are scheduled to meet on the 10th of November 2023.

Student Voice and Engagement activities

Class Ambassadors – recruitment, training, and meetings

The Student Association engaged closely with Heads of Service and Curriculum Managers throughout August and September to provide information and support on the Class Ambassador Programme. The purpose of this was two-fold:

- To ensure understanding of the vital nature of the Class Ambassador programme, it's purpose and implementation methodologies.
- To gain feedback and lessons learned from historical programme delivery whilst also gathering examples of good practice which could then be disseminated.

The Student Association would like to express their thanks for the high levels of engagement across many curriculum areas and our inclusion in departmental meetings. And, to the Quality Assurance Department for their continued and ongoing support of the implementation of the programme.

Upon review of traditional time frames for the programme, it was agreed that the Student Association would aim to recruit for Ambassadors earlier in the year. This came with the challenge of carefully balancing timeframes for students to get to know each other, training schedules and commencement of Class Ambassador Meetings.

The Ambassadors were recruited throughout the month of September with names to be submitted by 26th September, however, due to the September long weekend, it was agreed that names could be submitted by close of 29th of September.

Names for Ambassadors were then received by the Student Association in early October and the Teams page populated.

SPARQS (Student Partnerships in Quality Scotland) (more information on SPARQS can be found [here](#)) were engaged for training purposes and kindly provided a two-phase training programme.

PHASE 1 – an online module available through the Ayrshire College MyLearning platform. Ambassadors could complete this at their leisure throughout mid-October.

PHASE 2 – a direct training session (via Zoom) with SPARQS Associate Trainers. Multiple dates and times were available at the end of October with a view to Ambassadors being able to choose a suitable session.

There is a cohort of Ambassadors who have come late to the programme for a variety of reasons including late submission of names and a change of ambassador.

In this instance, the online module has been made available and new ambassadors are encouraged to complete this and for phase 2, we have re-engaged with SPARQS to request further training dates.

Completion data for both phase 1 and 2 of the training should be available by close of November.

A yearly schedule of monthly meetings has also been created with the first set of meetings scheduled to take place in early November.

Student Satisfaction

The Student Association, in collaboration with the Quality Enhancement Team and Business Intelligence and Information Systems, has created an early-stage student satisfaction survey which aims to capture student opinion on college induction, college services and campus provisions relating to the start of the academic year. The survey ran for several weeks throughout October and was available through an all-student email and the MyCollege App. There were 1158 responses and data is currently under analysis.

One-to-One Student Engagement

The Student Association are making efforts to capture simple data on the contact method and nature of enquiry for student one-to-one engagements. This is to support the Sabbatical Officers to ensure their training and development meet the requirements of the students and to ensure the Student Association offices are appropriately provisioned.

Student Association Events, Campaigns and Activities

Student Clubs, Societies and Drop Ins

The Student Association has or is engaged with existing Teams groups for LGBT+, Accessibility, Carers and Care Experienced and Estranged Students and Sustainability.

As a result of student and staff requests, we now also have additional Teams groups for ESOL, a Deaf Community Group and a Walking Group.

Further this, the Student Association have also supported students to set up a Chess Club, a Dungeons and Dragons Club and an online Gaming Club.

The Student Officers for LGBT+, the Care Experienced Officer and the Men's Officer are currently working on arrangements for student drop-in sessions.

Engagement levels for the groups vary. Where low engagement is identified, the Student Association keeps the area under review and will consider whether the group is likely to continue or how it could be re-invigorated.

The Student Association aim to support self-determination within the groups and provide support where required including information, communications, space to meet and resources for activities.

Freshers

Freshers was completed during the month of September and the Student Association noted an estimated attendance of over 800 students across all

three events. Freshers Fest 2023 included internal and external key stakeholders who were able to offer students information, guidance and advice, resources and lots of fun. Of note, the free Dominos pizza was popular along with the goodies from the Student Association and other organisations.

The Student Association undertook a review of the events and agreed that the events were a success, however we may consider the timings of the events. The events were scheduled for lunch time however late morning and early lunch were the busiest phases.

56% of students surveyed said they Strongly Agreed, or Agreed that they really enjoyed Freshers, 14% said they strongly disagreed or disagreed that they enjoyed Freshers and 30% gave a neutral response. We're satisfied that this indicates most students enjoyed the events.

Battle for Scotland E-Sports Tournament

Battle For Scotland is an online gaming tournament consisting of teams from Universities and Colleges based across the whole of Scotland. 2023 is the pilot year for Battle for Scotland and is run by the E-sports President from Dundee & Angus College.

The Student Association recruited for players during Freshers and had 75 students sign up. Vice President, Tim Chan, hosted trials for each game, from which the student teams were established. Teams consist of captains, players and substitutes. Students who did not go through to the competition stage of the tournament have been encouraged to band together and be part of the online gaming club.

To date, the Ayrshire College teams have won several games with successes being celebrated on social media. The tournament is set to conclude on 26 November 2023.

Following completion of the 2023 tournament, the Student Association will undertake an internal review to establish any lessons learned and use this to inform best practice for the upcoming Spring Tournament of Battle for Scotland in February 2024.

Wear It On Your Sleeve – Men's Mental Health

Wear It On Your Sleeve is a men's only group aimed at both students and staff that provides a space for male mental health. The teams page provides an online network for staff and students to come together and share resources such as websites, phone numbers and local support groups.

Student Association Visibility

The Student Association is making significant efforts to increase the visibility of the association and are doing this in a number of ways which includes increased cross-campus presence (peripatetic working), increased social media presence on both Twitter and Instagram, growing the audience on Twitter and Instagram, sending all-student emails from the Student Association email address (as opposed to a named person), implementing

protected on-campus time through Stop N Talk Drop In sessions and ensuring regular communications into the various student led Teams channels.

The Sabbatical Officers have also undertaken Class visits, engaged in communications and meetings with Curriculum Managers and Heads of Service.

The Student President participated in a “Welcome to Ayrshire College” video where she spoke about the function of the Student Association, and this was widely used during the induction phase with students.

The Sabbatical Officers are working closely with the college Marketing Team to arrange a brand refresh which will include some brand guidance. The Student Association will aim to do a launch of the updated branding at Refreshers in the new year.

As per their Operational and Enhancement Plan the Student Association Office spaces were reviewed for suitability for student use. This led to some housekeeping in Kilmarnock and housekeeping and re-arrangement at Ayr. The Sabbatical Officers are now satisfied that each office is a suitable space for student use.

The Student Association are satisfied that current activity in relation to visibility is supporting increased awareness amongst students of what the association does. 67.6% of students surveyed said they strongly agreed or agreed that they knew what the Student Association does.

Student Association Funding Scheme

Each year the Student Association takes applications from classes and curriculum areas to access funding for a variety of activities.

Upon review of historical activities, processes in place and successful applications for funding, it was agreed that the Sabbatical Officers would implement new guidance that would narrow the focus of the fund and solidify its purpose.

The main criteria for the 2023/2024 Student Association Funding Scheme was agreed to be:

- Applications, where possible, should be student led and made in collaboration with staff. This was to encourage student leadership, student engagement with the Student Association and to support a sense of ownership i.e. Student Association Funding is for Students
- Applications should meet the criteria of the applied for activity, resources or materials being directly related to an enhanced student experience relating to their course or an enhancement to their learning experience where neither could be met by their curriculum budget

The Student Association created a comprehensive Funding Guide that included an FAQ section and launched their Semester One Fund at the start of September. Communications were sent to Heads of Service and to Curriculum Managers which included a copy of the guide for dissemination and discussion with their teams.

The Fund received 13 applications:

- 4 applications did not meet the criteria of having a named student, we replied to those applicants and supported them to resubmit their application
- 1 application was rejected as it did not meet the criteria of enhancement as described above
- 8 applications were successful (some of which were re-applications from the 4 who required further support)

Successful applicants received a “what now” guide that outlined the next steps.

Examples of successful applications include monies for the purchase of Boccia kits to allow Sports Students to run an accessible sporting tournament, the purchase of provisions to allow supported learning students to run an Enterprise project at Christmas time and monies for transport to take HND Sound Production students on an academic/industry visit to the BBC StudioWorks in Glasgow.

Due to the success of the Semester one fund, the fund was closed in late October, and an internal review will take place to determine what changes may be required for the Semester two fund, which has an intended opening date of early February.

6. Future Activity

16 Days of Action

The Student Association are working closely with Charlotte Mitchell, Equality, Diversity and Performance Lead to undertake a significant programme of awareness raising activities for 16 Days of Actions which is a campaign that aims to draw attention to issues surrounding Gender Based Violence. The fortnight long campaign will also include awareness raising for the White Ribbon Campaign, which urges men to address issues of Gender Based Violence. The Campaign runs from November 25th to December 10th.

Planned activities include the following:

Monday 27th November, 12 till 2 - Kilmarnock Campus Marketplace Event

Tuesday 28th November, 4pm till 5pm - Dragity (Drag Show) in aid of LGBT+ Youth Scotland (organised by students)

Friday 1st December, 12 till 2 - Ayr Campus Marketplace Event

Tuesday 5th December, 5pm - Reclaim the Night March (leaving from Kilmarnock Campus and organised by the STAR centre)

Wednesday 6th December, 12 till 2 - Kilwinning Campus Marketplace Event

The events and campaign activity will also be supported by the colleges Liaison Officers for Police Scotland, NHS (Mental Health) and the Alcohol and Drugs Partnership.

Additional activities will include student and staff communications and social media activity.

Wear It On Your Sleeve – drop ins

The Student Association are engaging the skills and experience of their new Men's Officer who is also a volunteer with Men Matters Scotland, a mental health charity. The Men's Officer is trained in suicide prevention, group work for men's mental health and wishes to run a men's mental health drop in at the Kilwinning Campus where he is currently studying. The Student Association are working with a variety of college departments to support the Men's Officer with additional training and disclosures before commencement of the drop-in sessions.

7. Conclusion

The Student Association will continue to work on a variety of projects and activities that will aim to increase the visibility of the association, foster engagement with students and work cross-departmentally to ensure continued collaborative working.

**Linda Corbett
Student President
6 November 2023**

Publication

This paper will be published on the College website

Board Of Management meeting

14 December 2023

Strategic Objective Reference: SO1 An inspirational college experience
SO4 Working with partners and businesses.
SO7 Developing staff and students to enable excellence.

Subject/Purpose: The purpose of this report is to update Board Members on activities carried out by the Chair since the 31 October College Board meeting.

Action Required: To Note

Appendices: No

1. Summary/Key Points

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

2. Strategic Issues

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

3. Stakeholder Engagement

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

4. Other Engagements/Future activities

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

- a. MP & MSP meetings; the annual programme of meetings ongoing.
- b. Stepping Up Workshop (Executive Leadership Series)
- c. Mike Newal SAC meeting 2nd November

- d. Subgroup Meeting of Think the Unthinkable – feedback on Evidence & Analysis of Structural Models.
- e. Meeting with Leader of NAC and economic development team.

Future activities – CS Audit

5. Our Governance

a. Board and Committee Membership and Recruitment

Board Member Recruitment commenced in October 2023 with recommendations being made to the Board today for approval. Many thanks to the Search & Nomination Committee members, plus our External Independent Member, Jane McKie, for their assistance with shortlisting and interviewing. Also thanks to the ELT members and Student President for their feedback from the informal meetings with the candidates.

b. Board Member Development

Board members have been offered a full day High Stakes workshop in January being run by the College Development Network.

Board Members are reminded to ensure that they have completed mandatory CDN induction. Opportunities for further development are also published on the CDN website [CDN Governance Hub](#).

Please advise the Board Management Office of your attendance at any of these events or any learning that you complete as a representative of the Ayrshire College Board – this information can then be included in your development record. This includes learning via the Staff Learning Portal, and the LinkedIn Learning Account Licences.

New information continues to be shared in the “Board members Knowledge & Development Bank” Teams page.

6. External Effectiveness review

A proposal for the next External Effectiveness review has been accepted from the College Development Network and planning meetings will commence with them in the New Year.

7. Trade Union Nominees on Boards

We are looking the middle of January 2024 for the sector to fully implement trade union nominees on boards i.e., formally elected to boards, which within Ayrshire College would be our March 2024 Board meeting for formal approval.

In the interim we have already welcomed as an observer the EIS-FELA representative at our Board Meetings with the Unison representative hoping to be an observer from the December Board meeting onwards.

8. Our Communications

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

The Student President will also forward to the Board Governance Adviser selected specific communications for sharing with Board members.

9. Current Situation/Assessment

N/A

10. Proposals and Recommendations

No further proposals are included within this paper

11. Risks

N/A

12. Resource Implications

No further resource implications require to be noted.

13. Equality and Diversity Impact Assessment

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

14. Sustainability

N/A

15. Consultation/Input

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

**Fiona McQueen
Chair, Board of Management
05 December 2023**

This paper will be published on the College website.

Board of Management

14 December 2023

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

Subject/Purpose: Principal's Report

Action Required: To note

Appendices: No
(yes/no)

1. Summary/Key Points

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

These include:

- Strategic developments
- Stakeholder engagements
- Staff engagements and celebrations

2. Proposals and Recommendations

To note

3. Associated Risks

N/A

4. Equality and Diversity Impact Assessment (if applicable)

N/A

Board Update December 2023

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

Our Success Measures 2023-24

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

Strategic Development

Colleges Scotland **Think the Unthinkable** (TtU) work continues to evolve with a small group of lead principals developing proposals to share with Scottish Government and the Minister for Veterans, Higher and Further Education under the heading of 'Building a Resilient and Future Focussed Skills Landscape.

Four working groups have been established and supported by our executive team and the chair.

Skills Led Regions – Angela Cox (Chair)

Future skills/Curriculum – Anne Campbell

Finance & Infrastructure – Alan Ritchie

Future Workforce – David Davidson and Fiona McQueen

The Skills Led Region group has drafted and shared with Scottish Government the sectors first proposal which is a different approach to contracting and delivery of **apprenticeship programmes**. Adopting the Welsh model of Colleges First, the recommendation suggests that colleges take the leading role in planning and delivering apprenticeships within their region. Also, that funding and agreed targets come from a single funding agency and agreed in line with our Outcome Agreement model.

On 5th November, the Minister for HE, FE and Veterans, Graeme Dey, provided a **statement to the Scottish Parliament on Post School Education and Skills Reform**.

The Minister updated MSPs on the Scottish Government's response to the recommendations included in the various reviews published throughout 2023, in particular the Skills Delivery Landscape Review led by James Withers. In doing so, he

outlined his view that the education reform agenda is a process as opposed to an event, but that the Scottish Government is genuinely seeking to deliver reform as soon as possible.

The Statement referenced a number of key areas for the college sector, building on discussions held between Scottish Government and Colleges Scotland on behalf of members. The Minister made it clear that he wishes to work collaboratively with stakeholders.

There are a number of opportunities for the college sector to input into over the next few months. These include:

- Sector representation on a new Ministerial Group for Education and Skills Reform.
- Funding for both institutions and learners being brought into respective single places. Whilst the Minister stated he would not rule out a single funding body, he did state the need to reduce complexity and for more funding to go to learners.
- The Minister stated that whilst Skills Planning will be brought back into Scottish Government at a national level, he emphasised the role of colleges and employers in skills planning at a regional level.
- Creative new thinking on Apprenticeship Pathways, including a more instrumental role for colleges in the delivery of Modern Apprenticeships.
- The development of a clearer national careers service offer.
- A re-emphasis from the Minister for the new National Qualifications body to be responsive and agile.
- Engaging with a review of Community Learning and Development, to be led by Kate Still.

I attended my first **QAA Scotland Strategic Advisory Committee** on 6th November. The QAA will take over responsibility for quality assurance in colleges over the next few years. The sectoral feedback, which seems to have been taken on board, is the necessity to develop a quality framework that is about enhancement. The committee is also keen that the sharing of good practice is across the UK, not just in Scotland.

On 8th November, I visited the **ECO Group** Headquarters in Annan, along with Gavin Murray (Assistant Principal for STEM) and Alastair Heron (Head of Aerospace) to learn more about the innovative work of ECO in sustainability within the Built Environment and Aerospace. This has led to us introducing ECO to ADS (Aerospace, Defence, Security and Space) and a follow up visit from our Head of Construction, Cameron Bell, and further plans for partnership working.

On 23rd November, I met with the Principals of Edinburgh, NESCOL and City of Glasgow College to explore what a **National Applied Engineering Centre of Excellence** would look like with respective colleges taking a national lead in Aerospace, Digital, Energy and Maritime. In principle, we agreed to further explore with Scottish Government and Scottish Enterprise if this was a model that would align with Scottish Government's desire to lead national skills planning.

I met with Jane Martin, Managing Director at **Scottish Enterprise** on 29th November to discuss the opportunities and developments around the Prestwick Cluster. Scottish Enterprise are at the early stage of developing Prestwick as an Innovation District with the College being central to a Skills and Innovation offer.

On 24th November, I met with Andrew Youngson, CEO at **Code Base** to discuss how Ayrshire College could be a delivery partner and develop a College Entrepreneurial Campus. Also, to be a Tech Scaler Hub for Ayrshire. We agreed to regroup with some staff members in January.

As part of my work on **Skills Led Regions**, I met with Adrian Gillespie, CEO of Scottish Enterprise, on 24th November to discuss how colleges could play a more prominent role in economic development within regions and the great progress Ayrshire College is already making in this area through the Regional Economic Strategy and Growth Deal.

Stakeholder Engagement

I met with the three 3 CEOs of the **Ayrshire Councils** to discuss the future alignment and governance/accountability of the Ayrshire Growth Deal and Regional Economic Strategy (RES) Delivery Plan. Ayrshire College is a named partner and lead for the skills delivery group. I am also in regular dialogue with Alastair Dobson, Chair of the Regional Economic Strategy Delivery Group. The success of the RES is critical if Ayrshire is to leverage in any strategic funding from both UK and Scottish Government in future years.

The Chair and myself met with **Philippa Whitford MP** on 3rd November and updated her on our Aerospace project and we learned more about Scotland's ambition for the Space Sector.

I met with **Claire Baird, CEO Ayrshire Chamber of Commerce**, on 7th November and discussed how we make more of our partnership. This included jointly hosting a lunch to celebrate International Women's Day on 8th March 2024 themed around Leadership and Legacy.

Also, on 8th November, the College were delighted to take over the **Holyrood Restaurant** for the evening. The students showcased the best of Ayrshires Hospitality and Catering talent by preparing and serving a fantastic three course dinner to local and national MSPs, Cabinet members Mairi Todd and Shona Robson and invited guests including Stephen McLaughlin, Anthony Hobson, Angela Newton and Simon Craufurd.

On 16th November, I visited **Billy Bowie** to better understand their staffing requirements and relationship with the College. We identified a number of opportunities to support this local business attract and retain staff.

I attended the **University of Strathclyde's Engineering Academy's** 10th Anniversary Celebration on 4th December and Anne Campbell and I visited NMIS on 6th December to further discuss our partnership and potential Aerospace opportunities.

I visited **Dustacco** on 6th December to learn more about the business and how the College could support the development of their workforce. This included meeting one of our current apprentices who has progressed to Dustacco from our PEO programme.

The Chair and I met with **Brian Whittle MSP** and **Alan Brown MP** on 8th December.

Staff Engagement and Celebrations

A team of staff, led by David Davidson, attended the Green Gown awards in Liverpool on 30th November. I am delighted that we won the UK award for Benefitting Society

and are now an International Award Finalist. The team also spent the day at The City of Liverpool College, sharing good practice.

On the same evening, we were shortlisted for four CDN Awards and Anne Campbell and I attended the awards ceremony in Glasgow with a number of staff. I am delighted we won College of the Year for Health & Wellbeing and Research Project of the Year and were highly commended for the Inclusive College Award. Our Sports Lecturer, David Dougan, was also commended as Lecturer of the Year.

On 22nd November, I met with the **Kilmarnock Estates Team** to listen to their perspective about what is going well at the College and what we can do better. It was largely a positive discussion but recognition that collectively we need to do more in dealing with the low level poor behaviour from students and review the current approach to car parking in Kilmarnock. In the new term, we will begin a RESPECT campaign asking everyone to play their part in ensuring Ayrshire College remains a safe and respectful environment. A review of our car parking policy will also take place during the remainder of this year, with a new approach implemented in the new academic year.

Other dates are in the diary to meet with both support and curriculum teams over the next few months.

On 4th December, I visited our Childcare staff at the **Forest Kindergarden** at Dean Park. Although very cold, the students and children had a wonderful time at the Christmas themed session. I was struck by how empowered the students are to plan and lead the sessions and their feedback was how much this experience had given them confidence in their childcare settings.

On 12th December, the executive team will be delivering an **all staff presentation**, outlining the progress made against our objectives outlined to staff in August. This is followed up with our open forums.

We have also organised a **Christmas get together for staff** on each campus the last week of term. Teams can come together on any campus for some food, live music and a Christmas quiz.

SLT invited the **Student Association** to our meeting on 29th November to feedback the key issues affecting students that were picked up during the student forum meetings and from the term one survey. The overwhelming issue was the wraparound support required for students to remain on their programme and the low level poor behaviour of the minority of students. This will form the basis of our Refreshers programme in the new term and the RESPECT campaign.

Both the **support and lecturing trade unions remain in dispute** regarding the pay award for 2022/23 £1500, 2023/24 £2000 and 2024/25 £1500 (total of £5000 flat cash for all staff at all levels). The employers have now stated that this is the final offer. Unison has a mandate to strike from January 2024. EIS-FELA are currently out to ballot for a mandate for Action Short of Strike Action (ASOS) and strike. Discussions continue.

Angela Cox
Principal and Chief Executive
5 December 2023

Publication

Due to the commercially sensitive information, this paper will not be published on the College website.



Ayrshire College

2022/23 Annual Audit Report to the Board and the Auditor General for Scotland

December 2023



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Key messages

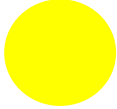

This report concludes our audit of Ayrshire College for 2022/23.

This section summarises the key findings and conclusions from our audit.

Financial statements audit

Audit opinion	<p>Our proposed independent auditor's report includes:</p> <ul style="list-style-type: none">• an unqualified opinion on the financial statements;• an unqualified opinion on regularity; and• an unqualified opinion on other prescribed matters. <p>Our audit work is largely complete, subject to receiving bank letters and finalising of our internal management review.</p>
Key audit findings	<p>We have reported our audit findings on pages 10-23.</p> <p>Our audit started on time and we received the draft management report and accounts ahead of our start date, subject to the update of a few disclosures including Related Parties.</p>
Audit adjustments	<p>We are required to communicate all potential adjustments, other than those considered to be clearly trivial.</p> <p>We have identified no material adjustments to the financial statements but we did note a small number of disclosure amendments which we list in Appendix 2. These have been reflected in the finalised financial statements.</p>
Accounting systems and internal controls	<p>We have applied our risk-based methodology to your audit. This approach requires us to document, evaluate and assess the College's processes and internal controls relating to the financial reporting process.</p> <p>Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we have included these in this report. No material weaknesses or significant deficiencies were noted.</p>

Wider scope audit

<p>Financial Management</p> <p>Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.</p>	<p>Auditor judgement</p> <p>No major weaknesses in arrangements but scope for improvement exists </p> <hr/> <p>The College is generally well managed financially but faces unprecedented and continuing challenges resulting from current levels of inflation (particularly in relation to utilities), and related public sector funding levels.</p> <p>The College has reported an operating deficit of £3.9 million for the year ended 31 July 2023. The College saw an increase in the year deficit when compared to the initial budget deficit of £0.3 million due to exceptional costs for voluntary severance, pension adjustment and the Kilwinning Campus end of contract payment.</p> <p>These items were excluded from the budget as they were not known at the point at which it was initially prepared and approved by the Board of Management in June 2022.</p> <p>The accounts also report cash balances of £11.7 million at 31 July 2023 and the College has sufficient cash reserves to meet liabilities for the foreseeable future.</p> <p>We have made a recommendation to the College in relation to general IT controls.</p>
<p>Financial Sustainability</p> <p>Financial sustainability looks forward to the medium and longer term to consider whether the College is planning effectively to</p>	<p>Auditor judgement</p> <p>Notable risks exist relating to ongoing financial pressures and given the fragility of future income/funding position. This is of notable risk to optimising successful financial sustainability and to the achievement of operational objectives. </p>

continue to deliver its services and the way in which they should be delivered.


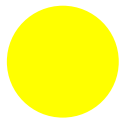
The financial position of the College is challenging as it is forecasting an operating deficit over the next three-year period in the region of £3.4 million.

There remain a number of forecasting uncertainties in relation to staff pay awards, inflation and sector-wide issues which are contributing to increased financial risk and the unpredictability of the long-term financial position of the College.

The future flat cash funding settlement outcome, as notified from the Scottish Government, will require a significant savings programme to be implemented and the College forecasts that this may result in a future reduction of 4% (FTE: 25) of its workforce over the next year.

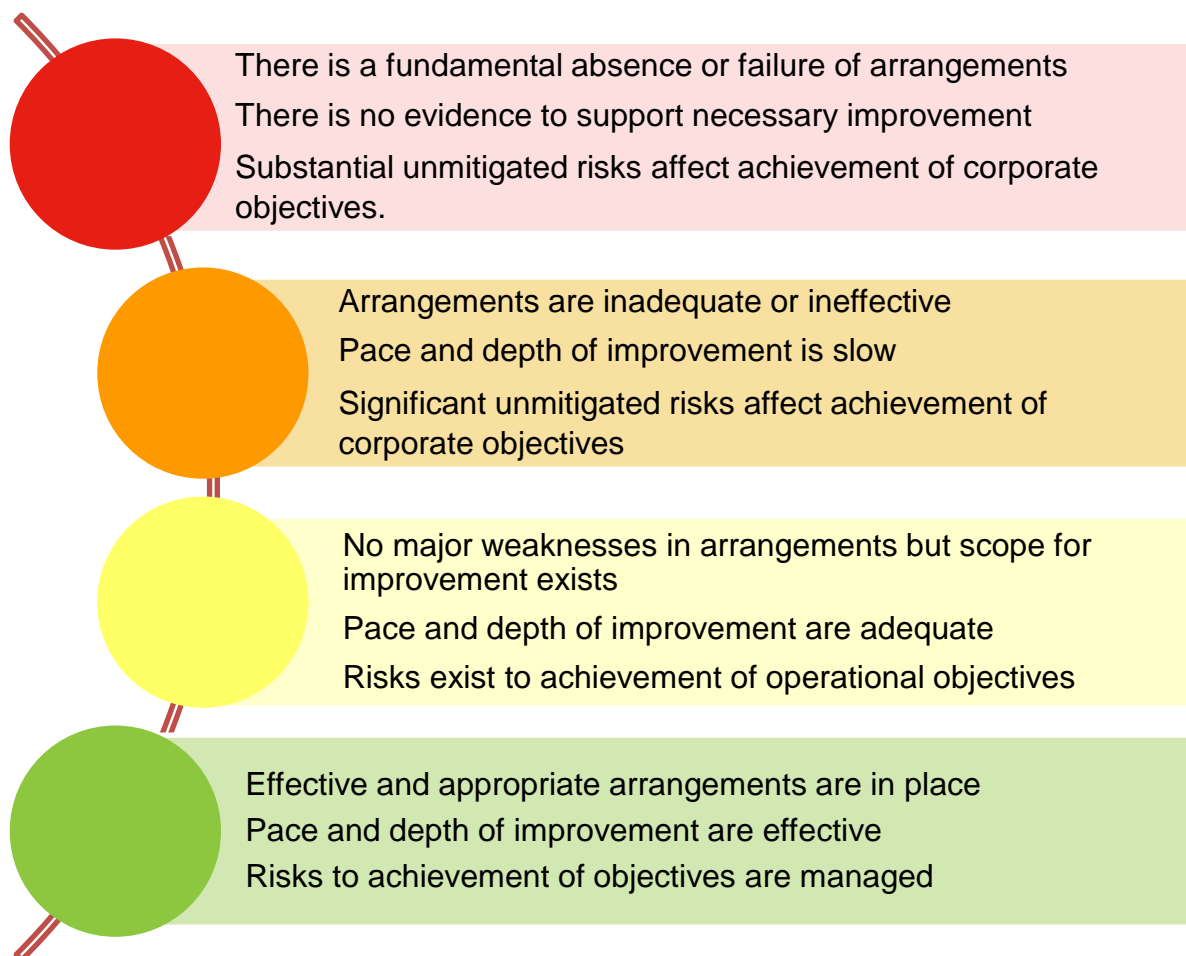
The College has also prepared an alternative scenario for the years 2022-26 with a more pessimistic assumptions of reduction in funding, pay increases and inflationary increases; this scenario would reduce the operating position by a further £8.5 million.

An updated Infrastructure Strategy is required to ensure the College has sufficiently identified and prioritised the investment needed within its estate and can secure the required funding to support this. It would also enable the development of a mid to long term capital plan.

<p>Vision, Leadership and Governance</p> <p>Vision, Leadership and Governance is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.</p>	<p>Auditor judgement</p> <p>Effective and appropriate arrangements are in place </p> <hr/> <p>The College has a clear vision and a Statement of Ambition 2030 in place to support it, with the latter being supported by a shorter term Statement of Ambition 2021-24 and Refresh & Renew Plan 2021-24.</p> <p>Governance arrangements at the College were found to be good.</p> <p>Effective arrangements are in place regarding financial control, prevention and detection of fraud and irregularity, and standards of conduct.</p>
<p>Use of Resources to Improve Outcomes</p> <p>Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency, and effectiveness through the use of financial and other resources and reporting performance against outcomes.</p>	<p>Auditor judgement</p> <p>No major weaknesses in arrangements but scope for improvement exists </p> <hr/> <p>2022/23 was another challenging year, however the College achieved 99% of its credit target and so was within the 2% threshold set by SFC to avoid any form of financial clawback.</p> <p>The College reports on nine key measures which covers both financial and non-financial aspects. Whilst the College has a set of reports to consider the performance against all Key Performance Indicators (KPI), its reporting in the annual report and accounts and in the reports to the Board is largely limited. The Board should be receiving a focused set of indicators with accompanying narrative to support them in making informed decisions.</p> <p>The Board has appropriate performance management processes in place that support monitoring and managing the performance, however more detail could be provided at this level. We understand that the College is developing a Board of Management KPI dashboard and would see this as a positive step to bridging this gap.</p>

Definition

Our wider scope audit involves consideration of the College's arrangements as they relate to financial sustainability, financial management, vision, leadership and governance and use of resources to improve outcomes. We have used the following grading to provide an overall assessment of the arrangements in place as they relate to the four dimensions.



Introduction

The annual audit comprises the audit of the financial statements and the wider-scope audit responsibilities set out in the Code of Audit Practice.

We outlined the scope of our audit in our 2022/23 External Audit Plan, which we presented to the June 2023 Audit and Risk Committee at the outset of our audit. The core elements of our work include:

- an audit of the 2022/23 annual report and accounts and related matters;
- consideration of the wider dimensions of public audit work;
- monitoring the College's participation in the National Fraud initiative; and
- any other work requested by Audit Scotland.

Responsibilities

The College is responsible for preparing an annual report and accounts which show a true and fair view and for implementing appropriate internal control systems. The weaknesses or risks identified in this report are only those that have come to our attention during our normal audit work and may not be all that exist. Communication in this report of matters arising from the audit or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to thank all management and staff for their co-operation and assistance during our audit.

Auditor independence

International Standards on Auditing in the UK (ISAs (UK)) require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We confirm that we complied with the Financial Reporting Council's (FRC) Ethical Standard. In our professional judgement, we remained independent, and our objectivity has not been compromised in any way.

We set out in Appendix 1 our assessment and confirmation of independence.

Adding value

All our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. We add value by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to promote improved standards of governance, better management and decision making and more effective use of public money.

Any comments you may have on the service we provide would be greatly appreciated. Comments can be reported directly to any member of your audit team.

Openness and transparency

This report will be published on Audit Scotland's website www.audit-scotland.gov.uk.

Annual report and accounts audit

The College’s annual report and accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

Our audit opinion

Opinion	Basis for opinion	Conclusions
Financial statements	<p>We conduct our audit in accordance with applicable law and International Standards on Auditing.</p> <p>Our findings and conclusions to inform our opinion are set out in this section of our annual report.</p>	<p>We have proposed an unqualified audit opinion on the 2022/23 financial statements.</p>
Going concern basis of accounting	<p>In the public sector, when assessing whether the going concern basis of accounting is appropriate, the anticipated provision of services is more relevant to the assessment than the continued existence of a particular public body.</p> <p>Our wider scope audit work considers the financial sustainability of the College.</p>	<p>We reviewed the financial forecasts for 2023/24. Our understanding of the legislative framework and activities undertaken provides us with sufficient assurance that the College will continue to operate for at least 12 months from the signing date. In our going concern assessment, we take cognisance of matters relevant to public sector bodies.</p> <p>Our audit opinion is unqualified in this respect.</p>
Opinions prescribed by the	<p>We read all the financial and non-financial information in the annual</p>	<p>The management report contains no material misstatements or</p>

Opinion	Basis for opinion	Conclusions
<p>Auditor General for Scotland on:</p> <ul style="list-style-type: none"> • Performance Report and Governance Statement • Remuneration and Staff Report 	<p>report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit.</p> <p>We plan and perform audit procedures to gain assurance that the statutory other information has been prepared in accordance with relevant legislation and regulations.</p>	<p>inconsistencies with the financial statements.</p> <p>We have concluded that:</p> <ul style="list-style-type: none"> • the information given in the Performance Report and in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council; • the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.
<p>Matters reported by exception</p>	<p>We are required to report on whether:</p> <ul style="list-style-type: none"> • adequate accounting records have not been kept; or • the financial statements and the audited part of the remuneration report are not in agreement 	<p>We have no matters to report.</p>

Opinion	Basis for opinion	Conclusions
	<p>with the accounting records; or</p> <ul style="list-style-type: none"> we have not received all the information and explanations we require for our audit. 	

An overview of the scope of our audit

The scope of our audit was detailed in our External Audit Plan, which was presented to the Audit and Risk Committee in June 2023. The plan explained that we follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the College. This ensures that our audit focuses on the areas of highest risk. Planning is a continuous process and our audit plan is subject to review during the course of the audit to take account of developments that arise.

At the planning stage we identified the significant risks that had the greatest effect on our audit. Audit procedures were then designed to mitigate these risks.

In our audit, we test and examine information using sampling and other audit techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain evidence through performing a review of the significant accounting systems, substantive procedures and detailed analytical procedures.

Significant risk areas and key audit matters

Significant risks are defined by auditing standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement. Audit procedures were designed to mitigate these risks.

As required by the Code of Audit Practice and the planning guidance issued by Audit Scotland, we consider the significant risks for the audit that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team (the 'Key Audit Matters'), as detailed in the tables below.

Our audit procedures relating to these matters were designed in the context of our audit of the annual accounts as a whole, and not to express an opinion on individual accounts or disclosures.

Our opinion on the annual accounts is not modified with respect to any of the risks described below.

Significant risks at the financial statement level

These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Risk area	Management override of controls
<p>Significant risk description</p>	<p>In any organisation there exists a risk that management have the ability to process transactions or make adjustments to the financial records outside the normal financial control processes. Such issues could lead to a material misstatement in the financial statements. This is treated as a presumed risk area in accordance with <i>ISA (UK) 240 - The auditor's responsibilities relating to fraud in an audit of financial statements</i>.</p> <p>This was considered to be a significant risk and Key Audit Matter for the audit.</p>
<p>How the scope of our audit responded to the significant risk</p>	<p>Key judgement</p> <p>There is the potential for management to use their judgement to influence the financial statements as well as the potential to override the College's controls for specific transactions.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> • Review the College's accounting records and audit testing on transactions. • Adopt data analytics techniques in testing carried out. • Test high risk and / or unusual journals posted during the year and after the unaudited annual accounts stage back to supporting documentation for appropriateness, corroboration and to ensure approval has been undertaken in line with the College's journals policy. • Review judgements and assumptions made in determining accounting estimates as set out in the financial statements to determine whether they are indicative of potential bias. This included a retrospective review of the prior year estimates against the current year estimates.

Risk area	Management override of controls
Key observations	We have completed our work and did not identify any indication of management override of controls. We did not identify any areas of bias in key judgements made by management. Key judgements were consistent with prior years.

Significant risks at the assertion level for classes of transaction, account balances and disclosures

Key risk area	Fraud in revenue recognition
Significant risk description	<p>Material misstatement due to fraudulent financial reporting relating to revenue recognition is a presumed inherent risk on every audit unless it can be rebutted.</p> <p>The presumption is that the College could adopt accounting policies or recognise income transactions in such a way as to lead to a material misstatement in the reported financial position.</p> <p>This was considered to be a significant risk and Key Audit Matter for the audit.</p>
How the scope of our audit responded to the significant risk	<p>Key judgements</p> <p>Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of income around the year end. However, we do not deem this risk to be present for revenue resource allocations from the Scottish Funding Council due to a lack of incentive and opportunity to manipulate transactions.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> • Evaluate the significant revenue streams and review the controls in place over accounting for revenue. • Consider the College’s key areas of revenue and obtain evidence that revenue is recorded in line with appropriate accounting policies and that the policies have been applied consistently across the year. • Test a sample of income items.

Key risk area	Fraud in revenue recognition
Key observations	Our work in this area has been completed with no issues identified.

Key risk area	Fraud in non-pay expenditure
Significant risk description	<p>As most public sector bodies are net expenditure bodies, the risk of fraud is also present in relation to expenditure. There is a risk that expenditure may be materially misstated in the financial statements.</p> <p>This was considered to be a significant risk and Key Audit Matter for the audit.</p>
How the scope of our audit responded to the significant risk	<p>Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of accruals around the year end.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> • Evaluate the significant non-pay expenditure streams and review the controls in place over accounting for expenditure. • Consider College’s key areas of expenditure and obtain evidence that expenditure is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year. • Review accruals around the year end to consider if there is any indication of understatement of balances held. Consider accounting estimates. • Test a sample of expenditure items.
Key observations	Our work in this area is complete. We gained reasonable assurance over the completeness and occurrence of expenditure and are satisfied that expenditure is fairly stated in the financial statements.

Key risk area	Pension Assumptions
<p>Significant risk description</p>	<p>An actuarial estimate of the pension fund asset/liability is calculated on an annual basis under FRS 102 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership date held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities. There is a risk that the assumptions used are not appropriate.</p> <p>This was considered to be a significant risk and Key Audit Matter for the audit.</p>
<p>How the scope of our audit responded to the significant risk</p>	<p>Key judgements</p> <p>Given that small movements in the underlying assumptions may translate into significant changes of the pension liability we deem this area to be subject to a high risk of misstatement.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> • Review the controls in place to ensure that the data provided from the pension fund is complete and accurate. • Review the reasonableness of the assumptions used in the calculation against the pension fund actuary and other observable data. • Agree the disclosures in the financial statements to information provided by the actuary. • Consider completeness and accuracy of the information provided by the College to the actuary. • Ensure that we can rely on actuary’s work as an expert by obtaining sufficient appropriate audit evidence that such work is adequate for the purposes of the audit.
<p>Key observations</p>	<p>The actuarial report for the College identifies a pension surplus (or pension asset) of £24.2 million. This is a significant change to the prior year’s pension asset of £11.5 million and is mainly driven by a significant increase in discount rate assumption between the years. The discount rate as of 31 July 2023 has been 5.05% and</p>

Key risk area	Pension Assumptions
	<p>decreases the value of future pension obligations substantially which, when combined with no significant movement in the value of pension investments, results in a pension surplus outcome.</p> <p>Accounting standards require the College to review the pension surplus and only recognise the lower of the surplus or an 'asset ceiling'. A detailed technical guidance note on how to calculate the pension asset ceiling was issued by Audit Scotland early in July 2023, limiting the identified pension asset to a nil asset ceiling value which was processed in the draft financial statement.</p> <p>There is a reduction on the pension asset recognised in the prior year due to the change in the present value of future service costs which can result from a change in the College's underlying membership ages and/or profiles.</p> <p>The prior year pension asset ceiling was calculated as £13.4 million, which is higher than the recognised pension asset of £11.4m. As such, no adjustment is required to the prior year pension asset.</p> <p>We have observed a similar movement in several education sector entities this year. We have considered the actuarial assumptions and the Financial Reporting Standard 102 guidance in relation to asset recognition and presentation in the financial statements.</p> <p>We have considered the competence, capability and objectivity of the actuary in line with the requirements of ISA (UK) 500 Audit Evidence. From this review, we did not identify any items which gave us cause for concern over the suitability of the actuary.</p> <p>We reviewed the information in the actuarial report for completeness and accuracy against the published pension fund data. Our work is complete in this area.</p>
Key risk area	Estates Valuation
<p>Significant risk description</p>	<p>The College holds a significant estate, with net book value of land and buildings of £116.3 million as at 31 July 2023. In accordance with its accounting policies, the College measures these assets at fair value through a programme</p>

Key risk area	Estates Valuation
	<p>of professional valuations, with the latest independent valuation completed at 31 July 2023. Due to the specialised nature of the buildings, the carrying value of assets is based on a range of estimates and small changes in estimates have the potential to result in a material change in asset valuation.</p>
<p>How the scope of our audit responded to the significant risk</p>	<p>Key judgements</p> <p>There is the potential for management to use their judgement to influence the financial statements.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> • We ensured that assets are recorded in line with the Further Education Statement of Recommended Practice (FE SORP), Accounts Direction and the College’s accounting policies, and have been accounted for appropriately. We reviewed asset valuations and ensured that the College has completed a recent assessment for impairment across its estate. This included looking to ensure there is professional advice and appropriate assurance over any impact of Reinforced Autoclaved Aerated Concrete (RAAC). • Where professional advice has been sought, we considered the competence, capability and objectiveness of the external valuer in line with ISA 500 (UK). We considered the College’s impairment review and communication with the valuer. In addition, we considered the scope of the valuer’s work and the information provided to the valuer for completeness.
<p>Key observations</p>	<p>The total value of the College’s land and buildings decreased by £12.4 million as a result of the 2023 valuation. The buildings are of specialised nature and therefore are valued using a depreciated replacement cost method, which means that it would cost over £116.0 million to replace them as at 31 July 2023.</p> <p>The buildings valuation downward movement is due to a change in valuers between the last desktop valuation and this year’s full valuation. As the movement is inconsistent with the increased inflation impact and overall increase in construction cost seen in the industry, we challenged the data input and assumptions used by the valuer, Gerald</p>

Key risk area	Estates Valuation
	<p>Eve. We were able to confirm that the data inputs were accurate and assumptions appropriate and in line with wider guidance.</p> <p>The College has not identified any assets impacted by use of RAAC. Initial visual inspections were undertaken by the College Estates Team. Two out of three campus were built in the 21st century and were therefore at low risk of having RAAC used in their construction. At the Ayr Campus, only the Dam Building (value of £12.4 million) was built prior to 21st century (built in 1966). However, since its initial construction, the roof was replaced and thus the risk of RAAC is deemed to be low across the whole campus. Further investigative works were undertaken by a firm of qualified building surveyors (Rudd Consultants) who reported that RAAC was not present in the building.</p> <p>We gained reasonable assurance over the valuation of estates at the year end and are satisfied that the estate is fairly stated in the financial statements.</p>

Estimates and judgements

We are satisfied with the appropriateness of the accounting estimates and judgements used in the preparation of the financial statements.

As part of the planning and fieldwork stages of the audit we identified all accounting estimates made by management and determined which of those were key to the overall financial statements. Consideration was given to asset valuations, impairment, depreciation rates, provisions for legal obligations, and accruals. We identified two accounting estimates listed below.

Our audit work consisted of reviewing these key areas for any indication of bias and assessing whether the judgements used by management are reasonable. We have summarised our assessment of this below, categorised between Prudent, Balanced and Optimistic.

Estimates and judgements

Present value of retirement obligations

Auditor judgement: Balanced

Management consider the present value of retirement obligations on an annual basis. The valuation is carried out by the actuarial firm Hymans Robertson. We considered key assumptions against other sources of evidence and did not identify any indication that the valuation was materially misstated as at 31 July 2023.

The assumptions of the actuary, Hymans Robertson, were overall within our expected range. The assumptions were predominantly in the middle of our expected range.

We have challenged the assumptions used in the pension asset ceiling calculation as the asset cap has been calculated by using future working lifetime instead of perpetuity. However, updated calculations have shown that there is no impact on the pension asset recognised by the College as using perpetuity increase the cap.

	2022/23 £m	2021/22 £m
Pension asset per draft accounts	Nil	11.5
Pension asset cap using future working life	Nil	13.4
Pension asset cap using perpetuity	Nil	80.4

Estimates and judgements

Estates valuation

Auditor judgement: Balanced

We ensured that assets are recorded in line with the FE SORP and the College's accounting policies and have been accounted for appropriately. We reviewed the asset valuations and ensured that the College has completed a recent assessment for impairment across its estate. This year the College's assets were revalued by a professional valuer Gerald Eve.

We considered the competence, capability and objectiveness of the external valuer in line with ISA 500 (UK). The College performed an impairment review of the assets and did not identify any indication of impairment. The results of our subsequent review of the above evidence is that the estates net book value is not materially misstated.

Materiality

Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile the College and the needs of users. We review our assessment of materiality throughout the audit.

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to the College and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

College Materiality

We based our initial assessments of materiality levels within our Audit Plan on the information available at that time i.e. prior years audited accounts. For the College's financial statements, the initial materiality was set at £910,000. On receipt of 2022/23 unaudited annual accounts, we reassessed materiality and increased it to reflect the movements in expenditure. We consider that our updated assessment has remained appropriate throughout our audit.

		£
Overall materiality for the financial statements		960,000
Performance materiality		720,000
Trivial threshold		48,000
Materiality	<p>Our assessment is made with reference to the College’s expenditure levels. We consider expenditure to be the principal consideration for the users of the financial statements when assessing the performance of the College.</p> <p>Our assessment of materiality equates to approximately 1.7% of the College’s expenditure as disclosed in the 2022/23 unaudited annual accounts.</p> <p>In performing our audit, we apply a lower level of materiality to the audit of the Remuneration and Staff Report. Our materiality is set at £5,000.</p>	
Performance materiality	<p>Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out. We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.</p> <p>Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceeds overall materiality.</p>	
Trivial misstatements	<p>Clearly trivial misstatements are matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</p>	

Audit differences

We have identified no material adjustments as outlined above. We identified some disclosure and presentational adjustments during our audit which have been detailed in Appendix 2.

Internal controls

As part of our work we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the College. These matters are limited to those which we have concluded are of sufficient importance to merit being reported.

We did not identify any significant control weaknesses during our audit, however a number of weaknesses identified in relation to the general IT controls were identified and are included in recommendations.

Audit recommendations

An action plan and our recommendations are included in Appendix 3.

Other communications

Accounts preparation

We received the draft management report and accounts ahead of our start date, subject to the update of a few disclosures including Related Parties. These were of a good quality with a few minor disclosure amendments raised, as outlined in Appendix 2.

Accounting policies, presentation and disclosures

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies adopted by the College.

The accounting policies, which are disclosed in the annual accounts, are in line with the FE SORP, and are considered appropriate.

We have concluded that the disclosures required by relevant legislation and applicable accounting standards have been made appropriately.

Overall, we found the disclosed accounting policies, and the overall disclosures and presentation to be appropriate subject to the above checks.

Fraud and suspected fraud

We have previously discussed the risk of fraud with management. We have not been made aware of any incidents in the period nor have any incidents come to our attention as a result of our audit testing.

Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose.

Non-compliance with laws and regulations

As part of our standard audit testing, we have reviewed the laws and regulations impacting the Funds. There are no indications from this work of any significant incidences of non-compliance or material breaches of laws and regulations that would necessitate a provision or contingent liability.

Written representations

We provided the final letter of representation to the Board of Management for signing at the same time as the financial statements are approved.

Related parties

The first version of the accounts did not have the relevant disclosures made. The College updated the accounts following our findings.

Confirmations from third parties

We have received all third parties confirmations required for the purpose of our audit, excluding the bank letter which remain outstanding.

Wider Scope

Financial management

Financial performance

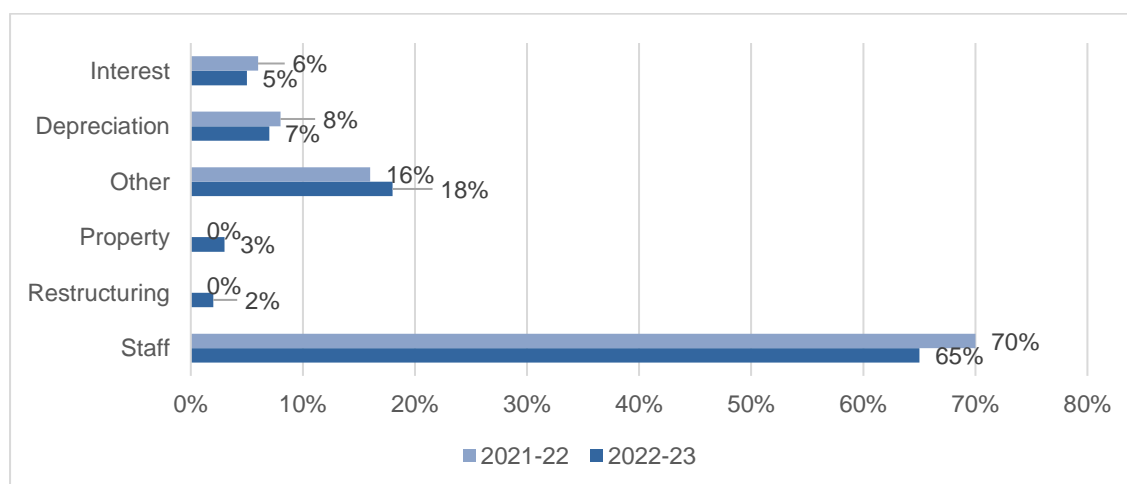
The College reports an operating deficit of £3.9 million for the year ended 31 July 2023. After adjusting the operating position for non-cash items that are out with the control of the College, such as pensions and net depreciation, the College shows an adjusted operating surplus of £0.8 million. The College saw an increase in year deficit when compared to the initial budget deficit of £0.3 million however the following costs were not budgeted for:

- £1.4 million of voluntary severance (VS) costs;
- £0.9 million of pension adjustments; and
- £1.5 million of exceptional property costs.

These items were excluded from the initial budget as they were not known at the point at which it was initially prepared and approved by Board of Management in June 2022. The VS scheme was opened in 2023 after consultation with SFC in late 2022 and it was determined during late 2022 that a provision should be made to reflect the decision to buy the Kilwinning Campus at the expiry of its lease. The pension adjustment is difficult to budget for due to the fluctuations in FRS 102.

The College’s main source of income continues to be grant funding from the SFC (87.3% of total income in 2022/23). The financial position, excluding the exceptional costs which occurred in 2022/23, improved slightly in the year from budget (£1.0 million). This variance can be attributable to reduced staff costs in year.

Exhibit 1: Key expenditure items 2 years comparison

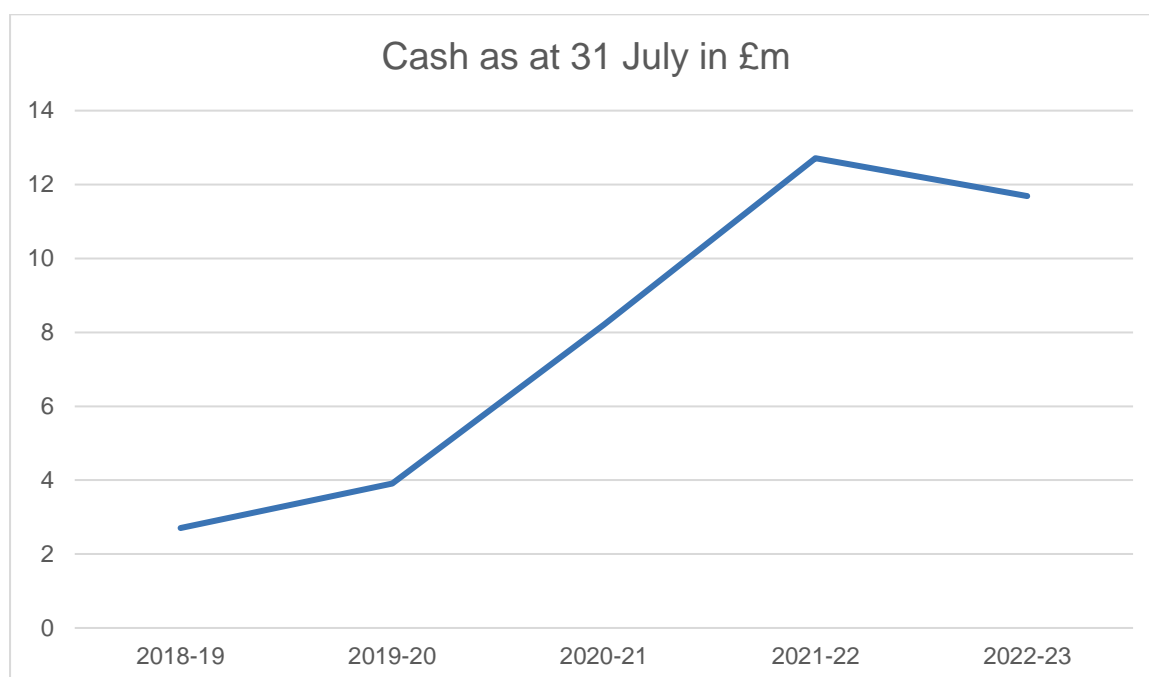


Staff costs, taken together with the job evaluation costs, continue to be the highest area of spend for the College accounting for 65.4% (70.4% in 2021/22) of total expenditure. When compared to the previous year these costs decreased by 2.2% mainly reflecting savings achieved from the severance scheme ongoing over the current year.

The cost of voluntary severance in the year was £1.4 million and 53 members of staff took advantage of the scheme in 2022/23. This represented around 6.3% of total headcount. The College's voluntary severance program closed in May 2023 with final departures expected in 2023/24. Review of the scheme shows it was compliant with SFC authorisation.

Cash position

Exhibit 2: Cash position over 5-year period



Operating cash held by the College was £11.7 million at year end. The cash balance remains high due to several payments not made during 2022/23 such as:

- £1.7 million accrual for the 2022/23 pay award;
- £0.6 million clawback in respect to Student Support Funds underspend;
- £0.8 million paid in September 2023 in respect to severances agreed in 2022/23;
- £0.6 million of payments in relation to the Future Skills Hub paid in August and September 2023; and
- £1.4 million of cash held to pay the Kilwinning Campus balloon payment.

The current cash position represents 53 days which is a fall from the prior year of 93 days. The College is required to have a cash position in line with requirement of maintaining a break-even position and having cash for working capital purposes.

Budget Setting

The Financial Memorandum between the Scottish Funding Council and the College sets out the formal relationship between both bodies and the requirements with which the College must comply in return for payment of grant by the SFC. The College's objectives in relation to the public funding it receives are set out annually in a Regional Outcome Agreement with the SFC.

The College's Vice Principal of Finance and Infrastructure is responsible for preparing an annual budget for approval by the Board of Management, and on the recommendation of the Business, Resources and Infrastructure Committee. The budget is informed by and aligned with the College's strategy documents.

The budget preparation process is built upon contributions from budget holders to ensure meaningful and achievable estimates are agreed.

We have reviewed the Management Accounts as at 31 July 2023, which compares the budget set at the start of the year versus the actual outcome, including detailed explanation for any variances which have occurred. As outlined above, the significant variances resulted from unknown costs at the time the budget was prepared.

Capital Expenditure

During 2022/23, the College built the Willie Mackie Future Skills Hub at the Kilwinning Campus which was opened for use on 21 September 2023. The total build cost as at 31 July 2023 was c.£2.3 million of which funding of £1.0 million was received from SFC, £0.3 million from College resources and £1.0 million received from external parties such as North Ayrshire Council, Ayrshire College Foundation, Magnox and the Nuclear Decommissioning Authority (NDA), through the Magnox Socio-economic scheme.

The lease for Nethermain Campus in Kilwinning will end in December 2023. This facility is no longer required for specialist STEM curriculum provision, as this will be delivered at the Willie Mackie Future Skills Hub going forward. A provision has been provided for the related dilapidation costs of ending this lease.

Systems of internal control

We have evaluated the College's key financial systems and internal financial controls to determine whether they are adequate to prevent material misstatements in the annual accounts. Our approach has included documenting the key internal financial controls and performing walkthroughs to confirm that they are operating as intended.

We consider the system of control in place at the College to be good overall. Our work on general IT controls identified some weaknesses.

Recommendation 1

Cyber security

There continues to be a significant risk of cyber-attacks to public bodies, and it is important that they have appropriate cyber security arrangements in place. Recent incidents in other organisations have demonstrated the significant impact that a cyber-attack can have on both the finances and operation of an organisation.

We have considered risks related to cyber security at the College within our integrated audit as part of our understanding of the College's use of IT. Based on this initial assessment, we concluded that overall arrangements are appropriate, caveated by our findings in relation to general IT controls as highlighted above.

Prevention and detection of fraud and irregularity

Our audit was planned to provide a reasonable expectation of detecting material misstatements in the financial statements resulting from fraud and irregularity. We found the College's arrangements for the prevention and detection of fraud and other irregularities to be appropriate.

Internal Audit undertook a review in 2022/23 with a strong level of assurance provided relating to the arrangements in place to prevent and react to instances of fraud and only one recommendation being raised, which was assigned a low grading.

National Fraud Initiative

The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise co-ordinated by Audit Scotland working together with a range of Scottish public bodies to identify fraud and error.

The most recent NFI exercise commenced in 2022. The College uploaded the data in line with the requirements of the NFI in October 2022 ahead of the new data sets being released in January 2023. The College staff assessed the matches and investigated as appropriate. Only one match remains outstanding as the College is waiting on a response from the third party involved.

Overall, the College's arrangements with respect to NFI are satisfactory. We will follow up completion of the work as part of our 2023/24 audit.

Financial sustainability

Significant audit risk

Our audit plan identified a significant risk in relation to financial sustainability under our wider scope responsibilities:

Extract from External Audit Plan - Financial sustainability

Significant risk description

The College continues to face significant financial challenges, operating within tight financial parameters, and continues to plan the measures required to ensure the College is in a long-term sustainable position.

The greatest risks to the College's sustainability are those around levels of funding from SFC, particularly with the removal of the one-off elements funded through Barnett consequential in 2021/22, and the projected "flat cash" position for 2023/24 and beyond.

The 2022/23 Financial Forecast Return (FFR), as approved by the Board in September 2022, anticipated an adjusted operating surplus of £0.4m in 2022/23 with future adjusted operating deficits totalling £1.4 million expected from 2023/24 to 2026/27.

Ayrshire College prepared a further realistic forecast which considers the financial impact of a worst-case scenario. This alternative FFR anticipated an adjusted operating deficit of £1.4m in 2022/23. This is considered to be overall a more realistic forecast with the College requiring achieving savings of £6.108m in the five-year period. This equates to approximately 13.1% of 2022/23 expenditure budget when considering only staff costs and other operating expenses.

Staff costs continues to be a significant pressure area for the College and a key aspect of the College's savings plan. With the uncertainty around the public sector pay settlements, any increase in staff costs will have a material impact on the finances of the College. The emerging and uncertain impact on the College's finances and the ability to deliver savings plans and services in a sustainable manner remains a significant challenge and risk.

The underlying rationale within this scenario is that there would be sector support or intervention to mitigate the financial effects of the alternative scenario, while recognising that the College would require to find cash releasing efficiency savings at a higher level than those determined by the SFC assumptions.

Key observations

The College has continued to face significant financial challenges which will require additional cuts to planned expenditure to reach a long-term sustainable position.

Based on the most updated position in 2023/24 the College estimates operating deficit totaling of £3.4 million for the period between 2023-26. This position is based on 5% pay award assumption in 2023/24 and 3.5% after this, non-pay cost

increase of 2% per annum. It also includes an expectation of no other additional sources of income and no change to the Scottish Government or SFC funding model.

Our work and conclusions on the budget and financial forecasts for 2022/23 onwards are set out below.

Short Term Financial Planning

The further education sector has received a ‘flat cash’ settlement from the Scottish Government for 2023/24 which equates to a reduction of 8.5% in real terms.

As a result, Scotland’s further education sector, already in financial recovery following the impact of Covid-19, now faces a precarious financial future as general and wage inflation costs significantly exceed current funding levels.

The College is heavily reliant on SFC funding which currently represents c.87% of the College’s total income and as such a small movement in grant funding has a significant impact on the College’s financial position.

The SFC published final colleges funding allocations in May 2023. The 2023/24 SFC main grant allocation for the College is £38.4 million and this supports delivery of 111,480 of student credits. This credit target represents a reduction of 10% in education delivery, from 123,867 in 2022/23. Despite the reduction in the 2023/24 credit target, SFC core income remain consistent with the previous year (£38.4 million).

The College prepared its budget for the year 2023/24, prior to the actual SFC allocation being announced, based on the indicative allocations and detailed forecasts available at the time. The key assumptions include:

- The level of lifecycle estate maintenance funding will be kept at the same level as 2022-23;
- Tuition fees included within the draft budget have been calculated using the revised 2023-24 CDP based on expected student numbers after the 25% cut off point;
- The College has assumed only modest increases in commercial income and catering income;
- National pay harmonisation costs for curriculum staff and assumptions for consolidated cost of living awards of 5% in 2022/23 and 3.5% in 2023/24;
- Exceptional costs amounting to £0.98m in relation to the voluntary severance scheme which closed on 22 May 2023;

- Each non-salary budget has been built up from detailed meetings with budget holders; and
- Utility costs are purchased through an APUC contract, with the budget being prepared using utility bills received for April 2023. Whilst the APUC contract gives the College a fair degree of certainty over utility costs for the majority of 2023-24, on-going geopolitical events may result in further increases or unforeseen changes.

The budget for the year 2023/24 was presented to the Business, Resources & Infrastructure Committee in May 2023 before being taken to the Board of Management in June 2023. The College is projecting an operating deficit of £0.6 million before net depreciation. This includes £1.0m of costs relating to the transformational change activities and £0.9m of voluntary severance payments. Without these figures the College would have an operating surplus of c£1.4m, slightly above the operating surplus of £1.3m in the 2022/23 budget.

Medium Term Financial Planning

The Financial Strategy presented to the Board of Management in June 2023, covers the period 2022-2026. The College’s overall strategy was taken into consideration when preparing this document.

Exhibit 3: Adjusted operating position over next three years

	2023/24	2024/25	2025/26
	£m	£m	£m
Adjusted Operating Deficit	1.5	1.0	0.9

Source: June 2023 Financial Forecast

Based on the most updated position in 2023/24 the College estimates adjusted operating deficit totaling £3.4 million for the period between 2023-26. This position is based on 5% pay award assumption in 2023/24 and 3.5% after this, non-pay cost increase of 2% per annum. It also includes an expectation of no other sources of income and no change to the Scottish Government or SFC funding model.

At that point in time the College has also prepared an alternative scenario for the years between 2022-26 with a more pessimistic assumptions of reduction in funding, pay increases and inflationary increases – this scenario would reduce the operating position by a further £8.5 million.

The College recognises that it has a structural deficit with significant efficiencies requiring to be realised in 2023/24 and in every subsequent year thereafter.

The key challenges facing the College

The College is facing the following challenges:

- flat cash SFC settlement meaning reduction in funding in real terms;
- impact of the inflation on the staff cost which is the main cost driver for the College;
- increased competition in the education sector; and
- cost of living increases and declining student number trends possible as a result.

The adjusted operating result is the key financial measure used by the College. It takes the operating position per the accounting standards and adjusts it to exclude non-cash items.

The current and next two years expected cash position of the College is favorable, therefore not raising any concerns in relation to a going concern assumption.

Impact on education provision

Due to the above financial constraints, the College must identify savings, with staff costs accounting for the majority of College spend. It is the main cost driver as a 1% change equates to c.£0.4 million increase/decrease in cost.

In the current year, the College generated savings through the voluntary severance scheme and decreased its workforce by 11 FTE in 2022/23, with a further reduction of 25 FTE expected in 2023/24.

Exhibit 4: Staff plans

	2022/23	2023/24
	FTE	FTE
Voluntary severance	11	25
% of FTE	2%	4%

Source: June 2023 Financial Forecast

Ongoing/potential future reduction in staffing levels may impact the ability of the College to achieve its annual credit target and other national objectives, therefore having a knock-on effect on future financial and non-financial performance. This is likely to impact volume and range of course, qualifications and related learning journeys.

We do understand that these external factors (e.g. funding decisions, inflation, pay awards) are not entirely within the College’s control and the College is considering all options to maintain appropriate levels of teaching delivery. At the same time, this challenge will be partly managed by an effective and continuously changing, scenario-based workforce plan.

The College has in place a People Strategy 2022-25. We note this document analyses the key issues and how the College intends to achieve its aims.

Capital plans - estates

The College had a high-level Infrastructure Strategy 2018-20 to address emerging and future needs. Two out of three of the College's Campus are operated under PFI/NPD contract and thus the maintenance of the infrastructure lies with the operators. However, the College had identified further investment for the improvement of the Dam Park building at the Ayr campus and general maintenance needs, including ensuring the IT infrastructure remains fit for purpose.

The delivery of the Infrastructure Strategy is overseen by the Vice Principal of Finance and Infrastructure and supported by the Estates Management Team with the Business, Resource and Infrastructure Committee oversight and reporting to the Board. This allows appropriate governance arrangements.

The grant funding allocated to the College is £0.2 million (2022/23 £0.2 million) with £0.9 million (2022/23 £0.9 million) identified for revenue maintenance grant purposes.

The College's approved Financial Regulations state that the Principal has delegated authority to "arrange for any necessary alterations or adaptations to College property at a cost of up to £250,000 in respect of one project, provided the alteration or adaptation does not affect any material change in the character of the College."

As such, this year's allocation of £0.2 million is within the Principal's designated responsibility for capital projects and therefore would not require BRIC approval for the works.

An updated Infrastructure Strategy is required to ensure the College has sufficiently identified and prioritized the investment needed within its estate and can secure the required funding to support this. It would also enable the development of a mid to long term capital plan.

Recommendation 3

Kilwinning Campus PFI Contract

The College's PFI contract for the Kilwinning Campus is due to expire on 14 June 2025. During 2019/20 the College obtained legal advice to understand any obligations and actions that should be taken in relation to the expiry, this advice identified three options:

1. Purchase the facility from KE Projects
2. Extend the terms of the agreement of the contract
3. Walk away from the Kilwinning campus facility

A paper was taken to the Business, Resources and Infrastructure Committee on 16 November 2021 outlining the options available, other contract provisions to consider and the proposed preferred option. The BRI Committee agreed in principle to recommend that the Board of Management pursues the option to purchase, subject to a future business case being presented at the appropriate time, within the timeline set out in the contract.

The intention to purchase the facility from KE Projects has been included within the College's FFR with a provision of £1.4 million being included in 2022/23 accounts. A project plan is being prepared to cover the building and facilities maintenance beyond June 2025 for the campus but this is not yet finalised.

Vision, leadership and governance

Our detailed findings on the College's arrangements are set out below.

Vision and leadership

The College approved the Statement of Ambition 2030 and Refresh and Renew Plan 2021-2024 in 2021. This document sits alongside the College's Outcome and Impact Framework which sets out how they will meet the Scottish Government's expectations and deliver value for money for the public investment we receive.

The Statement of Ambition 2030 sets out the College's ambitions and priorities across three ambitions:

- To be an accessible, inspirational, and inclusive place to work and learn;
- To support, empower and inspire our staff and students; and
- To be a high-performing, environmentally responsible college recognised for excellence, equality and integrity.

The interim Statement of Ambition covers the period 2021-24 at which it will be reviewed and updated as necessary.

Another key document is the Learning, Teaching and Student Engagement Strategy 2021-24. This Strategy aligns the strategic aims of the curriculum delivery with the wider ambitions of the College. The key aims and priorities refer to four themes: Students; Curriculum; Pathways and Quality. The Strategy outlines relevant actions against each of the themes.

There is a financial memorandum in place between the SFC and the College which ensures that the terms and conditions of grant funding are clear and understood.

Additionally, there is an annual Regional Outcome Agreement (ROA) which sets out planned outputs and objectives between the SFC and the College. From review of available committee and board minutes and papers, we are satisfied that the College routinely considers reports on the development and implementation of the ROA.

Governance arrangements

The Board of Management is responsible for ensuring the overall governance of the College. In driving forward the strategic direction of the College and ensuring the governance framework is operating as intended, the Board continues to be supported by five committees:

- Audit and Risk Committee;
- Business, Resources and Infrastructure Committee;
- Learning, Teaching and Quality Committee;

- Performance Review and Remuneration Committee; and
- Search and Nominations Committee.

The Board undertook an effectiveness review as required by the Code of Good Governance for Scotland Colleges. The review was performed by a self-assessment survey and reported to the Board at the October 2023 meeting. Overall, the additional feedback received from Board members was considered as positive. Several areas were identified for improvement, and these will be incorporated into the Board Development Plan.

Our review of the College's Governance Statement confirms that the College has complied with the requirements of the Scottish Public Finance Manual (SPFM) and the Accounts Direction.

Internal Audit

An effective internal audit service is an important element of a College's overall governance arrangements. The College's internal audit service is provided by Wylie Bisset. During our audit we considered the work of internal audit wherever possible to avoid duplication of effort and make the most efficient use of the College's total audit resource.

Internal Audit annual assurance opinion was provided to the Audit and Risk Committee in October 2023. In their opinion the Internal Audit concluded that the College has adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of audit work. This opinion also stated that proper arrangements are in place to promote and secure Value for Money.

Standards of conduct

In our opinion the College's arrangements in relation to standards of conduct and the prevention and detection of bribery and corruption are adequate. Our conclusion has been informed by a review of the arrangements for adopting and reviewing standing orders, financial instructions and schemes of delegation and for complying with national and local codes of conduct.

Use of resources to improve outcomes

Our detailed findings on the Colleges arrangements are set out below.

Performance management arrangements

The Financial Memorandum between the SFC and fundable bodies in the college sector requires the Board to:

- have a strategy for reviewing systematically management's arrangements for securing value for money (VfM); and
- as part of internal audit arrangements, obtain a comprehensive appraisal of management's arrangements for achieving value for money.

Securing the economical and effective management of the College's resources and expenditure is the responsibility of the Board. The College is committed to ensuring value for money is achieved through good procurement practice and optimal use of procurement collaboration opportunities.

Performance framework

The College has a detailed College Operating and Enhancement Plan. This is overseen by members of the Executive Leadership Team who ensure individual targets and actions are being delivered by the lead member of senior staff. Regular performance monitoring papers are also presented to the Board.

Performance is monitored routinely throughout the year by the Board and progress against performance measures is presented to the Board annually for challenge and scrutiny.

Overall activity is managed by the Senior Management Team at monthly meetings where student activity targets are monitored along with performance against budget and achievement of planned activities for the year. Financial performance is also monitored regularly at the Business, Resources and Infrastructure Committee. The Board of Management are informed of the progress made towards key targets and performance through regular reporting.

Performance results

The College's performance against key performance indicators for academic year 2022/23 shows that for the first year the student credits target have not been exceeded. In 2022/23, the College delivered and claimed 122,552 credits against a SFC credit target of 123,867. The College was 98.9% against target and within the 2% threshold set by SFC to avoid any form of financial clawback.

Exhibit 5: Ayrshire College Performance against SFC Core Performance Indicators

No	Performance Indicator	2022-23	2021-22
1	Recurring Deficit as % of total trading income	(7.4%)	(3.0%)
2	Non SFC Income as % of Total Income	12.7%	11.6%
3	Credit activity target set by SFC	123,867	124,793
4	Credit activity achieved	122,328	126,404
5	Activity achieved against target	98.8%	101.3%
6	Current Assets: Current Liabilities	1.19:1	1.38:1
7	Gearing/debt	Nil	Nil
8	Days of recurring expenditure represented by period end cash	19	27

Source: Board of Management Report and Financial Statements 2022/23

The College reports on nine key measures: Credits; Apprenticeship Starts; Budget Performance against Plan; Trading Cash Levels held; Student Retention; Student Progression; Student Satisfaction; Staff Satisfaction; Employer/Stakeholder Satisfaction.

While the College has a set of reports to consider the performance against all KPIs, its reporting in the annual report and accounts is largely limited to student credit targets and financial measures, and it does not provide additional commentary measures that are key to students, for example on student satisfaction levels or students progression. Providing more information on the above to the Board has also been limited in that it doesn't expand on areas where targets are not being met and might not allow informed decision making.

Recommendation 2

Climate change

Tackling climate change is one of the greatest global challenges. The Scottish Parliament has set a legally binding target of becoming net zero by 2045 and has interim targets including a 75 percent reduction in greenhouse gas emissions by 2030.

There are specific legal responsibilities placed on public bodies to contribute to reducing greenhouse gas emissions, to adapt to climate change, to act sustainably and to report on progress. All public bodies need to reduce their direct and indirect emissions and should have plans to do so. Many public bodies also have a role in reducing emissions in wider society, and in supporting activity to adapt to the current and potential future impact of climate change.

The key actions the College have taken to reduce climate change are set out in the table below:

What targets has the body set for reducing emissions in its own organisation or in its local area?

The College's Sustainability Strategy commits to a net zero target by 2040, although it notes that this will include investment within its estates (e.g. replacing all its gas boilers by 2025).

Does the body have a climate change strategy or action plan which sets out how the body intends to achieve its targets?

The College has a Sustainability Strategy available on its website.

How does the body monitor and report progress towards meeting its emission targets internally and publicly?

The College reports within its Annual Performance Report on the actions taken to address the sustainability challenges faced by the College.

Has the body considered the impact of climate change on its financial statements?

Yes, the College considered impact on their financial statements as per the comment below.

What are the areas of the financial statements where climate change has, or is expected to have, a material impact?

The College does not expect climate change to have a material impact on the financial statements in the short term.

Does the body include climate change in its narrative reporting which accompanies the financial statements and is it consistent with those financial statements?

Yes, the College consider financial sustainability in its financial statements, discussing its strategy, progress during the year and other activities.

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Appendix 1: Responsibilities of the College and the Auditor

Responsibilities of the College

The College has primary responsibility for ensuring the proper financial stewardship of public funds, complying with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

Area	The College's responsibilities
Corporate governance	<p>The Board of Management is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.</p>
Financial statements and related reports	<p>The Board has responsibility for:</p> <ul style="list-style-type: none"> • preparing financial statements which give a true and fair view of its financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation; • maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support its financial statements and related reports disclosures; • ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority; • maintaining proper accounting records; and • preparing and publishing, along with the financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that is consistent with the disclosures made in the financial statements. Management commentary should be fair, balanced and understandable and also address the longer-term financial sustainability of the College.

Area	The College's responsibilities
	<p>Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.</p> <p>The Board of Management is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of its objectives and safeguard and secure value for money from the public funds at its disposal. They are also responsible for establishing effective and appropriate internal audit and risk-management functions.</p>
<p>Standards of conduct for prevention and detection of fraud and error</p>	<p>The College is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct.</p>
<p>Financial position</p>	<p>The College is responsible for putting in place proper arrangements to ensure its financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • Such financial monitoring and reporting arrangements as may be specified; • Compliance with statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • Plans to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position.

Auditor responsibilities

Code of Audit Practice

The Code of Audit Practice (the Code) describes the high-level, principles-based purpose and scope of public audit in Scotland. The 2021 Code came into effect from 2022/23.

The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Auditor General and it is a condition of our appointment that we follow it.

Our responsibilities

Auditor responsibilities are derived from the Code, statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, and guidance from Audit Scotland.

We are responsible for the audit of the accounts and the wider-scope responsibilities explained below. We act independently in carrying out our role and in exercising professional judgement. We report to the College and others, including Audit Scotland, on the results of our audit work.

Weaknesses or risks, including fraud and other irregularities, identified by auditors, are only those which come to our attention during our normal audit work in accordance with the Code and may not be all that exist.

Wider scope audit work

Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector.

The wider scope audit specified by the Code broadens the audit of the accounts to include additional aspects or risks in areas of financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

Financial management

Financial management means having sound budgetary processes. Audited bodies require to understand the financial environment and whether their internal controls are operating effectively.



Auditor considerations

Auditors consider whether the body has effective arrangements to secure sound financial management. This includes the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error and other irregularities.

Financial sustainability



Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Auditor considerations

Auditors consider the extent to which audited bodies show regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so it can continue to deliver services.

Vision, leadership and governance



Audited bodies must have a clear vision and strategy and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.

Auditor considerations

Auditors consider the clarity of plans to implement the vision, strategy and priorities adopted by the leaders of the audited body. Auditors also consider the effectiveness of governance arrangements for delivery, including openness and transparency of decision-making; robustness of scrutiny and shared working arrangements; and reporting of decisions and outcomes, and financial and performance information.

Use of resources to improve outcomes



Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency and effectiveness through the use of financial and other resources, and reporting performance against outcomes.

Auditor considerations

Auditors consider the clarity of arrangements in place to ensure that resources are deployed to improve strategic outcomes, meet the needs of service users taking account of inequalities, and deliver continuous improvement in priority services.

Audit quality

The Auditor General and the Accounts Commission require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that apply to all audit work and providers. These arrangements recognise the importance of audit quality to the Auditor General and the Accounts Commission and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an Audit Quality Framework.

The most recent audit quality report can be found at <https://www.audit-scotland.gov.uk/publications/quality-of-public-audit-in-scotland-annual-report-202223>

Independence

The Ethical Standards and ISA (UK) 260 require us to give the College full and fair disclosure of matters relating to our independence. In accordance with our profession's ethical guidance and further to our External Audit Annual Plan issued confirming audit arrangements we do not have any matters to not in that regard.

We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standard. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

Our period of total uninterrupted appointment as at the end of 31 March 2023 was one year.

Audit and non-audit services

The total fees charged to the College for the provision of services in 2022/23 were as follows:

	Current year £	Prior year £
Auditor remuneration	51,070	31,910
Pooled Costs	(7,490)	1,630
Audit support costs	1,320	1,460
Sectoral cap adjustment	6,070	-
Total fee	50,970	35,000

The FRC's Ethical Standard stipulates that where an auditor undertakes non audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. We provided advisory services to the College on VAT matters. We obtained clearance from our Ethics Partner and Audit Scotland prior to commencing the engagement. The work has been undertaken by a separate team from the audit, and the audit team has had no involvement in this VAT work.

Appendix 2: Audit differences identified during the audit

We are required to inform the College of any significant misstatements within the financial statements presented for audit that have been discovered during the course of our audit. The non-trivial misstatement discovered during the course of our audit which have been adjusted for by management are summarised in the table below.

Adjusted misstatements

We identified no adjusted misstatements during our audit.

Unadjusted misstatements

We identified no unadjusted misstatements during our audit.

Misclassification and disclosure changes

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the College.

We identified some minor presentational issues in the College's accounts, and these have all been amended by management. Details of all disclosure changes amended by management following discussions are as below.

No	Detail
----	--------

1. Taxation note was updated to include missing information.
2. Related parties disclosures were updated to include relevant amounts.
3. The audit team raised minor and presentational issues with which were updated in the final accounts.

Overall, we found the disclosed accounting policies, significant accounting estimates and the overall disclosures and presentation to be appropriate.

Appendix 3: Action plan

Our action plan details the weaknesses and opportunities for improvement that we have identified during our audit.

Action plan grading structure

To assist the College in assessing the significance of the issues raised and prioritising the action required to address them, the recommendations have been rated as follows:

Rating	Assessment rationale
High	An issue that results in a severe impact to the achievement of objectives in the area audited.
Medium	An issue that results in a moderate impact to the achievement of objectives in the area audited.
Low	An issue that results in a small impact to the achievement of objectives in the area audited.

Current year action plan

1. IT general controls		Medium
Observation	Our specialist IT team reviewed design and implementation of IT general controls in the key systems impacting preparation of the financial statements and identified several areas for improvement. As this is a public report, we do not deem appropriate to include more detail, but this has been provided to the College separately.	
Implication	Due to the weaknesses in the design and implementation of the controls there is a risk of fraud or error impacting financial statements.	
Recommendation	We recommend that the specific IT points identified are addressed.	

1. IT general controls		Medium
Management response	<p>The College will work with the auditors to more fully understand the nature of the identified weaknesses and implement an action plan to address the noted weaknesses.</p> <p>Responsible officer: Head of ICT Services</p> <p>Implementation date: 31 March 2024</p>	

2. Performance indicators		Low
Observation	<p>While the College has a set of reports to consider the performance against all KPIs, its reporting in the annual report and accounts is largely limited to student credit targets and financial measures, and it does not provide additional commentary measures that are key to students, for example on student satisfaction levels or students progression. Providing more information on the above to the Board has also been limited in that it doesn't expand on areas where targets are not being met and might not allow informed decision making.</p>	
Implication	<p>The users of the accounts and Board members might not be able to make informed decisions due to insufficient detail provided.</p>	
Recommendation	<p>We recommend the reporting is improved to explain student and other key issues to the decision makers.</p>	
Management response	<p>The College will undertake a review of the content of the Performance and Accountability Report for 2023/24 in line with the auditor recommendation and against Audit Scotland best practice guidance.</p> <p>Responsible officer: Vice Principal Finance and Infrastructure</p> <p>Implementation date: 31 July 2024</p>	

3. Infrastructure Strategy Low	
Observation	<p>The College has a high-level Infrastructure Strategy 2018-20 to address emerging and future needs. Two out of three of the College’s Campus are held by PFI/NPD contract and thus the maintenance of the infrastructure lies with the operators.</p> <p>However, the contract for the Kilwinning campus is due to expire in June 2025, at which point the College take over the asset and become responsible for the ongoing maintenance and development.</p>
Implication	<p>We would expect there to be an updated Infrastructure Strategy, which aligns with the wider Statement of Ambition 2030, to establish how the College intends to manage its asset base over the mid to longer term period.</p>
Recommendation	<p>We recommend that an updated Infrastructure Strategy is developed to ensure the College has sufficiently identified and prioritized the investment needed within its estate and to ensure it can secure the required funding to support this. It would also enable the development of a mid to long term capital plan</p>
Management response	<p>In line with the refresh of the College Statement of Ambition, the College will develop a long term Estate Strategy for approval by the Board of Management.</p> <p>Responsible officer: Vice Principal Finance and Infrastructure</p> <p>Implementation date: 31 July 2024</p>



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Board of Management

14 December 2023

Subject: 2022-23 Board of Management Report and Financial Statements

Purpose: To advise the Board of Management on the 2022-23 Financial Statements

Recommendation: The Board of Management approves the 2022-23 Board of Management Report and Financial Statements

1 Introduction and Background

The 2022-23 Board of Management Report and Financial Statements are derived from the management accounts which were presented to the 21 November Business, Resources and Infrastructure Committee and subsequently to the 30 November Audit and Risk Committee.

The draft Financial Statements were submitted to Azets for external audit on 13 October 2023. The external audit on-site fieldwork was completed by Azets on 3 November 2023 and a clearance meeting was held on 9 November 2023 as part of the completion process.

The external auditors (Azets) 2022-23 Annual Audit Report was considered at Paper 7. The external auditors audit opinion is unqualified, and the auditors have made three recommendations, none of which are of a high priority. The 2022-23 Annual Audit Report was considered by the 30 November Audit and Risk Committee who recommended the report for presentation to the Board of Management.

2 Year Ending 31 July 2023 Position

2.1 Management Accounts to Financial Statements

The July 2023 management accounts presented to the Business, Resources and Infrastructure Committee on 3 October 2023 showed deficit of **£(2.445)m**. To arrive at the audited final financial deficit, the College was required to make several accounting adjustments to the figures presented in the management accounts. The accounting adjustments, amounting to **£(1.451)m**, made since the October Business, Resources and Infrastructure Committee along with the rationale for these adjustments are shown in Table 1.

The final position per the audited 2022-23 Financial Statements is a deficit of **£(3.896)m.**

Table 1 – Summary of main accounting adjustments between July management accounts and 2022-23 financial statements

	A	B	C
	Operational	Exceptional	Total
	£'000	£'000	£'000
Operational surplus	310	0	310
Voluntary severance costs	0	(1,355)	(1,355)
Final PFI payment	0	(1,400)	(1,400)
Surplus / (deficit) presented to October BRIC	310	(2,755)	(2,445)
(A) Pay award accrual	(228)	-	(228)
(B) Sundry accruals/prepayments re post year end invoices	20	(30)	(10)
Revised operational surplus / (deficit)	102	(2,785)	(2,683)
(C) Pension adjustment	(548)	-	(548)
(D) Holiday pay accrual	(555)	-	(555)
(E) Dilapidations provision	-	(110)	(110)
2022-23 Financial Statements Deficit	(1,001)	(2,895)	(3,896)

Notes

Operational Adjustments

(A) Pay Award Accrual

The College had previously provided for a 5% pay award in the October 2023 Management Accounts (version 1) but has increased this accrual based on current full and final offer made to both teaching and support staff unions. The additional cost was **£(0.228)m.**

(B) Sundry accruals/prepayments re post year end invoices

The Finance Team monitors all invoices received after the first draft is prepared to identify any potential accruals and prepayments. Invoices totalling £0.020m were identified relating to the year ended 31 July 2023 and were subsequently adjusted prior to audit as a net prepayment.

In addition an accrual was provided re further payments relating to voluntary severance costs in particular strain on pension fund costs totalling **£(0.030)m**.

Non-Cash Accounting Adjustments

(C) Year-end pensions adjustment

The overall adjustment of **£(0.548)m** is based on the valuation provided at 31 July 2023 by the pension scheme actuaries and an external valuation obtained separately for early retirees.

(D) Holiday Pay Accrual

The college made a provision of **£(0.555)m** in respect of unpaid holiday pay as at 31 July 2023. This is an accounting adjustment and does not have any impact on the College trading cash or future payments to staff as it relates to untaken holidays as at a point in time.

(E) Nethermains dilapidation provisions

The College had previously provided **£(0.390)m** for the potential costs re Nethermains dilapidations and has increased this provision by **£(0.110)m** to give a total provision of **£(0.500)m** at 31 July 2023.

In line with previous years the Business Resources and Infrastructure Committee were requested to consider and focus on the financial operations and associated financial statement disclosures contained on page 37 onwards. The rationale and reason for the adjustments were reviewed by the 21 November 2023 Business, Resources and Infrastructure Committee.

The BRI Committee recommended the 2022-23 Report and Financial Statements be presented to the 30 November Audit and Risk Committee for their consideration.

2.2 Financial Statements

The 30 November Audit and Risk Committee were updated on the financial position and requested to review and commented upon the following sections in line with the Committees responsibilities:

- Performance Report
- Accountability Report
- Corporate Governance Report
- Statement of the Board of Management's Responsibilities
- Remuneration and Staff Report

In compiling the Financial Statements the College has complied with the Scottish Funding Councils [Accounts Direction for Scotland's Colleges 2022-23](#). The circular requires that the College in preparing their annual report and accounts must comply with the:

- 2016 version of the Code of Good Governance for Scotland's colleges with the 2022 Code being adopted from 2023-24 onwards.
- 2019 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP).
- Government Financial Reporting Manual 2022-23 (FReM) where applicable.

In addition the circular also states the mandatory disclosure requirements to be made in Appendix 2 to the circular and further corporate governance disclosures in Appendix 3.

The College has complied with all the above requirements in compiling the Financial Statements for the year ended 31 July 2023 (**Appendix A**)

The 30 November Audit and Risk Committee considered the Financial Statements and approved them for presentation to the Board of Management.

Post balance sheet events

The College confirms that there are no post balance sheet events that require to be disclosed in the accounts.

Presentation and Finalisation of the Financial Statement

Appendix A provides the Board of Management with the 2022-23 Financial Statements for their consideration. Once approved, the 2022-23 Financial Statements will be provided to the Principal and Chair of the Board via DocuSign for signing.

3 Proposals

No further proposals are contained in this report.

4 Resource Implications

No resource implications require to be noted.

5 Consultations

No further consultations were required outside of the ongoing monitoring for potential post balance sheets events up until the Financial Statements being presented to the Board of Management on 14 December 2023 for approval and signature.

6 Risks

No specific risks require to be noted in this paper.

7 Equality Impact Assessment

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

8 Conclusion

The Board of Management is requested to approve the 2022-23 Board of Management Report and Financial Statements.

Alan Ritchie
Vice Principal, Finance & Infrastructure
14 December 2023

(Liz Walker, Head of Financial Services)

Publication

Due to the commercially sensitive information, this paper will not be published on the College website.



Board of Management Report and Financial Statements

For the year ended
31 July 2023

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PERFORMANCE REPORT

Principal's Statement on Ayrshire College's Performance 2022-23

The College continues to play a key role in socio economic development across Ayrshire and Scotland. Working with its employers, key stakeholders and third sector partners, the College is central to the development of a skills pipeline enabling the key sectors of Ayrshire and Scotland to thrive. The College also continues to have a strong community footprint, supporting individuals who live in the most deprived SIMD (Scottish Index of Multiple Deprivation) wards across Ayrshire.

The College chairs the Regional Economic Strategy Skills Delivery Group which is informed by the following employer led working groups: Clean Growth, Aerospace and Space, Food and Drink, Digital, Tourism and Hospitality.

As part of the Ayrshire Growth Deal (AGD) and Regional Economic Strategy (RES), the College has developed a number of bespoke training opportunities, including fast track programmes, enabling people to access employment in Aerospace and XLCC. The College is also the lead partner in developing an Aerospace Skills and Innovation Centre and is working in partnership with Scotland's Rural University College to host the Dairy Chain Innovation Centre at our Ayr campus which will support dairy businesses with the development of new products and the associated skills training.

The College continues to be proactive in working with our Health and Social Care partners to deliver a range of access to employment programmes, apprenticeships and upskilling training.

During 2022-23, the College built our Willie Mackie Skills Hub at our Kilwinning Campus. This facility will enable the College to expand its construction provision in North Ayrshire and equip future and current students with the green, digital and technology skills to be success in this sector. It also enables the College to deliver apprenticeships in North Ayrshire for the first time and a range of upskilling and reskilling opportunities for the community.

The College has continued to invest in digital technology for staff and students and has begun an extensive digital infrastructure project that will continue during 2023-24 to ensure our curriculum offer is reflective of the latest technology developments and support functions are efficient and continue to provide an excellent customer service.

In the first full academic year not disrupted by COVID, student retention improved across all modes of delivery but, more importantly, on full-time programmes, student retention increased by 7.8%. Student satisfaction increased by 2% (96%), we were awarded Bridge to Business Enterprise College of the Year, shortlisted for 4 College Development Network Awards, shortlisted for our second Green Gown Award and achieved our Investors in People Gold Award.

Overview of Performance Report

The Board of Management of Ayrshire College presents its Performance Report together with the Audited Financial Statements for the year ended 31 July 2023.

This Performance Report provides a detailed summary of the performance of the College during 2022-23 and how it measures and monitors its performance. The Report also includes the strategic issues and risks facing the College.

Legal Status

The College is incorporated under the Further and Higher Education (Scotland) Act 1992 and is funded directly by the Scottish Funding Council. The College is a charity (Scottish charity number SC021177) registered with the Office of the Scottish Charity Regulator and is recognised by HM Revenue and Customs as a charity for the purposes of Section 505, Income and Corporation Taxes Act 1988. As such, the College is exempt from corporation tax on its charitable activities. The College receives no similar exemption in respect of Value Added Tax.

Ayrshire College Statement of Ambition and Refresh and Renew Plan 2021-2024

The College's Statement of Ambition 2030, which sets out the College's long-term ambitions and aspirations, was launched in August 2021. The Statement of Ambition is as follows:

Ayrshire College Statement of Ambition 2030

Ayrshire College will be an inspirational place of learning where individuals can excel and realise their full potential. A place where businesses and communities can access skills, expertise and innovation that supports local and national economic development and inclusive growth.

We will achieve this through strong collaboration and partnership working and by investing in and valuing our staff and students.

This statement has three underpinning ambitions:

- Ambition 1: To be an accessible, inspirational and inclusive place to work and learn.
- Ambition 2: To support, empower and inspire our staff and students.
- Ambition 3: To be a high-performing and environmentally responsible college recognised for excellence, equality and integrity.

In addition, a Refresh and Renew Plan 2021-24 has been developed which identifies key strategic objectives for the next three years. These objectives will support economic and social recovery and contribute to achieving the three ambitions.

During 2021-24, Ayrshire College will:

- Embed a culture of open leadership and empowerment where staff and students feel valued, their voices are heard, and they are involved in decisions which affect them.
- Provide an inspirational college experience which supports and enables students to overcome the disruption to learning caused by the pandemic and to successfully progress on their learning journey.
- Embed diversity and inclusion in all decisions and support staff and students by providing accessible opportunities to learn, work and develop.
- Focus on being a high-performing college underpinned by excellence in stewardship, effective risk management and the highest standards of corporate governance.
- Respond to the climate change emergency by being environmentally responsible, embedding sustainability in our learning and teaching and business operations.
- Work with partners, including businesses, to co-create a portfolio of learning and skills that is relevant, dynamic, flexible, and responsive to employer and industry needs, to current and future skills requirements and contributes to social and economic recovery.
- Develop and support staff and students to work and learn in new and innovative ways to enable excellence in all aspects of learning and teaching and service delivery.

The Refresh and Renew Plan provides the context for ambitions set out in other strategic documents, such as the updated Learning and Teaching Strategy 2021-24, Digital Strategy 2022-2025 and People Strategy 2022-2025. The Refresh and Renew Plan also provides the overarching framework for the College's 2022-23 Outcome Agreement as agreed with the Scottish Funding Council (SFC).

Consultation with students, staff and stakeholders will take place during AY 2023-24 on the College's new strategic plan.

SFC Outcome Agreement

The College agreed an Outcome Agreement with the Scottish Funding Council for 2022-23. This Outcome Agreement focuses on the following outcomes:

- Outcomes for students.
- Outcomes for economic recovery and social renewal.

The College produces a separate report on performance against the Outcome Agreement. This is in addition to the performance data collated within this performance report. The performance reported in the separate outcome agreement report includes key performance indicators in relation to student statistics such as numbers, retention and achievement.

Performance of Ayrshire College in 2022-23

The College reviews its portfolio of courses on an annual basis. It is an evidence-based approach which incorporates Scottish Government policy direction, national and regional labour market information, the Ayrshire Regional Economic Strategy and Ayrshire Growth Deal. Courses no longer in demand, not achieving success or not related to national, regional and local priorities are removed from the Curriculum Delivery Plan (CDP) for the following academic year. This annual process ensures that the College's portfolio of courses is aligned to national, regional and local policy objectives. The effectiveness of the College's curriculum planning arrangements can be evidenced by an internal audit conducted during 2022-23. The internal audit of the CDP processes provided substantial assurance on the existing arrangements (the highest assurance rating) and identified no areas for improvement.

In 2022-23, the College delivered 122,552 credits (98.9%) against the SFC target of 123,867 credits. The actual delivery was therefore within the 2% leeway set by SFC which means the College does not require to repay any of the funding it has received from the SFC.

The College is recognised locally, regionally and nationally as an organisation which makes a positive difference to the lives of its students, to our communities, to Ayrshire's economy and to Scotland.

Parts of Ayrshire have levels of children living in combined low income and material deprivation higher than Scotland's national average of 20%. Ayrshire also has amongst the highest youth unemployment rates in Scotland and a higher proportion of people of working age with low or no qualifications than the rest of the country.

East and North Ayrshire local authorities are amongst the top six councils with the highest local share of Scottish Index of Multiple Deprivation (SIMD) 20 per cent most deprived data zones (SIMD20) in Scotland. Ayrshire has circa 26 areas which are among the most deprived 5% in Scotland.

The College supports a high number of students living in the 10% most deprived postcode areas. In 2022-23 the College delivered 20% of its total delivery in the 10% most deprived areas. The College aims to ensure that the percentage of students living in the 10% most deprived postcode areas is representative of the Ayrshire region in line with national targets.

Ayrshire College is recognised as an inclusive college. A consistent and proactive focus on access, inclusion and diversity has created a strong ethos amongst staff and students. This has been a critical success factor in increasing student outcomes year on year and it will continue to be a driver for improvement in student outcomes over the next three years.

The most recent SFC College Leaver Destination Survey reported that 95% of the College's students, with a confirmed destination, achieved a positive destination six months after completing their course of study.

The SFC has set ambitious and stretching targets for all of Scotland's colleges to deliver successful outcomes for care experienced students, aiming for parity with their peers. In 2022-23, Ayrshire College had 818 care experienced student enrolments on courses lasting 160 hours or more. This represents a 28% increase in care experienced student enrolments when compared to 2021-22.

A key Scottish Government priority area of focus is to improve the access and outcomes for students with a declared disability. Over the eight years from 2015-16 to 2022-23 there has been a significant increase in the number of students declaring a disability with 20% in 2015-16 rising to 35% in 2022-23 of all enrolments declaring a disability. Over the same period those students have seen their success rates increase from 61% in 2015-16 to 73% in 2022-23.

A culture of partnership working is embedded across the College. Throughout 2022-23, the College continued to invest significant time, working remotely, in enhancing existing private, public and third sector partnerships, as well as developing new ones. The College's partnership approach with universities also allows its students to gain access to degree programmes with advanced standing.

The College is a strategic business partner of the Ayrshire Chamber of Commerce and Industry and a member of the Developing the Young Workforce Ayrshire Steering Group. Significant economic sectors in the region are aerospace, engineering, health and social care, early education, and hospitality and tourism. The College collaborates with employers and industry bodies to plan the provision of courses to address growth in these and other economic sectors. With approximately 1,200 apprentices in training at any given time, the College is the main provider of Science, Technology, Engineering and Mathematics (STEM) apprenticeships in Scotland.

Ayrshire College has put sustainability towards the forefront including reducing waste within the College. The College's successful drive towards sustainability has been recognised at a national level.

The College has published a Sustainability Action Plan, and its ambition is to be carbon neutral by 2050, in line with government targets. The annual climate report submitted to the Scottish Government shows that the College's carbon footprint is reducing year on year. The College complied with the Scottish Government sustainability reporting in line with the requirements of the Climate Change (Scotland) Act 2009.

The College continues its journey of improvement in 2023-24 and remains focused on increasing student attainment and achievement.

Financial Objectives

The College's financial objectives are to be financially sustainable while continuing to invest in the development of student-centred services, infrastructure and resources. The financial context and funding settlements over recent years continue to present challenges to these financial objectives.

The College continues to develop its financial planning structures, budgeting, monitoring and financial reporting systems to support a complex organisation of the scale of Ayrshire College. Robust financial planning remains a key priority going forward given the challenges for the college sector around the levels of funding made available while continuing to demonstrate financial sustainability.

The Executive Leadership Team (ELT) continues to work with the Board of Management and its committees to review financial information requirements and key performance data to ensure good governance in relation to challenge and scrutiny.

Financial Review

Robust financial management systems, innovative delivery models and prioritisation of expenditure commitments are in place. College staff continually review and refine operations during the year to ensure that the College continues to operate efficiently and effectively within its financial context and funding settlements.

Statement of Comprehensive Income

The statement of comprehensive income shows a total deficit for the year to 31 July 2023 of £(3,896,000) compared to the 2021-22 deficit of £(1,545,000).

The College continues to have a significant reliance on the SFC for its funding which is largely in the form of recurrent grants. In 2022-23, the SFC provided 87% of the College's total operational revenue income (2021-22: 88%). Excluding specific funding to support the Unitary Charge for the NPD contract for the Kilmarnock campus, SFC revenue income totalled 78% of total income (2021-22: 79%).

Non-recurring Exceptional Items

There were £2,895,000 of non-recurring exceptional expenditure items which impacted the 2022-23 deficit as detailed below:

	Exceptional £000
Staff Voluntary Severance	1,385
Property – PFI / Dilapidations	1,510
Total	2,895

Recurring Items

The College recorded a deficit of £(1,001,000) which represents an adverse figure of approximately (2%) of overall trading income. The recorded deficit of £(1,001,000) in 2022-23 comprised the following elements:

	Recurring £000
Operational surplus	102
<u>Non-Cash Adjustments</u>	
Holiday pay provision	(555)
FRS 102 and Other Pension	(548)
Deficit for the Year	(1,001)

To aid the reader of these accounts, the College has provided a reconciliation to the figures reported above for recurring items as noted within the Statement of Comprehensive Income (Table 1).

Table 1 – Adjusted operating position 2022-23 and 2021-22 – Detailing Recurring Items for 2022-23 (there are no non-recurring items of income and expenditure)

	Recurring £000	Exceptional £000	2022-23 £000	2021-22 £000
Deficit after other gains and losses	(1,001)	(2,895)	(3,896)	(1,479)
Add back:				
Depreciation (net of deferred capital grant release)	3,129	-	3,129	3,243
Exceptional non-restructuring costs (e.g. impairment)	-	1,510	1,510	-
Non-cash pension adjustments	548	-	548	3,847
Deduct:				
Revenue funding allocated to loan repayments (NPD)	(1,490)	-	(1,490)	(1,425)
Sub-Total Revenue	1,186	(1,385)	(199)	4,186
CBP allocated to PFI loan repayments			(862)	(867)
Early retirees			(92)	(87)
Adjusted operating (deficit) / surplus			(1,153)	3,232

Underlying operating position

SFC as part of its accounts' direction instructed Colleges to provide a statement in relation to the adjusted operating position using a standard table (Table 2). The SFC table (Table 2) includes both revenue and capital items.

Table 2 – Adjusted operating position

	2022-23 £000	2021-22 £000
Deficit after other gains and losses	(3,896)	(1,479)
Add back:		
Depreciation (net of deferred capital grant release)	3,129	3,243
Exceptional non-restructuring costs	1,510	-
Pension adjustments – Net service cost	1,035	3,645
Pension adjustments – Net interest cost	(385)	357
Pension adjustments – Early retirement provision	(102)	(155)
Deduct:		
CBP allocated to loan repayments and other capital items	(954)	(954)
NPD Income applied to reduce NPD Balance Sheet debt	(1,490)	(1,425)
Adjusted operating (deficit) / surplus	(1,153)	3,232

Cash budgets for priorities

Whilst Scotland's colleges prepare accounts under the FE/HE Statement of Recommended Practice they are also required to comply with Central Government budgeting rules. This affects, amongst other things, the way in which non-cash depreciation charges are treated for budgeting purposes and how colleges allocate the cash funds (cash budget for priorities (CBP)) which were previously earmarked for depreciation.

Table 3 below details the allocation of the CBP and the impact on the operating position. The College has been instructed by SFC on the format of this table and on the priorities to be allocated against. This instruction (received in November 2018) requires the College to base the allocations on the requirements set out in 2015-16 rather than the underlying position in the year.

Table 3 – Cash budget for priorities spend

	2022-23 £000	2021-22 £000
Revenue		
2015-16 pay award	370	370
Total impact on operating position	370	370
Capital		
Loan repayments (PFI capital payment)	862	867
Early Retirees	92	87
Total Capital	954	954
Total cash budget for priorities spend	1,324	1,324

Balance Sheet

The College, on 31 July 2023, has £70,946,000 of net assets (excluding a pension asset of £nil). At July 2022 the College had £80,028,000 of net assets (excluding a pension liability of £11,518,000). The pension asset for 2022-23 is excluded as this is out with the College's control.

The College held cash at bank of £11,685,000 as of 31 July 2023. This figure includes restricted and designated reserves of £5,479,000 as well as grant funds held for clawback or future delivery. Trading cash was assessed as £2,704,000 on 31 July 2023 after accounting for the outstanding staff pay award accrual.

Reserves

The surplus brought forward on the income and expenditure reserve at 1 August 2022 was £33,775,000. After the deficit for the year before non-recurring items of £(1,001,000), the non-recurring items of £(2,895,000), the transfers in respect of the pension reserve, and the transfers from the revaluation reserve are taken into account, the surplus on the College's income and expenditure reserve as at 31 July 2023 is £(20,605,000).

Capital Additions

Tangible Fixed Asset additions in 2022-23 amounted to £2,826,000. The expenditure on the assets under construction of £2,358,000 relates mainly to the construction of the Willie Mackie Skills Hub at Kilwinning. In addition, there was also expenditure of £454,000 on IT and curriculum equipment.

Core Performance Indicators

The SFC has developed a series of core performance indicators which are designed to provide an overall summary view of a college's performance (Table 4). The table below notes Ayrshire College's performance against these indicators. This should be considered in conjunction with the narrative provided in the Performance Report.

Table 4 – Ayrshire College Performance against SFC Core Performance Indicators

No	Performance Indicator	2022-23	2021-22
1	Recurring Deficit as % of total trading income	(7.4%)	(3.0%)
2	Non SFC Income as % of Total Income	12.7%	11.6%
3	Credit activity target set by SFC	123,867	124,793
4	Credit activity achieved	122,328	126,404
5	Activity achieved against target	98.8%	101.3%
6	Current Assets: Current Liabilities	1.19:1	1.38:1
7	Gearing/debt	Nil	Nil
8	Days of recurring expenditure represented by period end cash	19	27

Treasury Management Policies and Objectives

Treasury Management is the management of the College's cash flows, its banking, money market and capital transactions; the effective control of risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a policy of placing any surplus funds with the College's retail banker with a view to maintaining security of capital whilst maintaining accessibility to funds.

Cash Flows

The College had a net decrease in cash in 2022-23 of £1,028,000. This is detailed in the Cash Flow Statement on page 40.

Liquidity

The College continues to have sufficient liquidity in terms of cash resources.

Payment Performance

The College has a policy of paying its suppliers within agreed terms unless an invoice is disputed. All disputes are dealt with as quickly as possible, and the College is not aware of any payments being made out with the College's approved payment policy. No interest was paid by the College under the Late Payment of Commercial Debts (Interest) Act 1998.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives.

Property

Tangible resources include the three main campuses of Ayrshire College together with smaller satellite campuses. Ayrshire College has prominent main campuses in all three local authority areas. The College's main campuses are in Ayr, Kilwinning and Kilmarnock. The lease for Nethermain Campus in Kilwinning will end in December 2023. This facility is no longer required for specialist STEM curriculum provision, as this will be delivered at the Willie Mackie Skills Hub going forward. The College has also withdrawn from satellite campuses at Craigenhillan Estate and Irvine Royal Academy.

Estates Development

Estates developments are evidence based and allow the College to align its estate to the emerging needs of students and curriculum delivery requirements.

Staff Report

The College employed 667 full-time equivalent employees, of whom 290 were curriculum staff and 377 were service staff. This equates to a headcount of 837, comprising 520 female and 317 male members of staff.

Full disclosure on staff costs is given in note 6 of the accounts.

National Bargaining

The College is a signatory to the National Recognition and Procedures Agreement (NRPA) and a member of the Employers Association. The 2022-23 pay award remains outstanding and is subject to ongoing national negotiations with lecturing and support staff Trade Unions.

Local Joint Negotiation Committees (LJNC) were held during 2022-23 with EIS-FELA. Unison continues to be in dispute with Ayrshire College, therefore, during 2022-23 LJNCs did not take place.

Stakeholder Relationships

Ayrshire College has many stakeholders. These include:

- Students
- Student association
- Staff
- Scottish Funding Council
- Education Scotland
- Scottish Government
- Local employers / businesses
- Community planning partnerships
- Local authorities
- Colleges Scotland
- Skills Development Scotland
- Trade unions
- Universities
- The voluntary sector
- Scottish Futures Trust
- The National Union of Students

The College recognises the importance of these key relationships and engages in regular communication with its stakeholders. This is done through a variety of routes, for example social media, face to face meetings and partnership working projects.

Staff Involvement and Participation

All staff are fully informed of College developments through a range of communication and consultation frameworks. In addition, there are also two elected staff members on the Board of Management.

Staff Development

A range of CPD activities took place during 2022-23, with a significant focus on digital skills to support blended learning approaches and use of innovative technologies.

In addition, the College also continued to support staff to achieve formal qualifications with a specific focus on learning and teaching. Examples of this activity include:

- Teaching Qualification in Further Education
- PDA Teaching Practice
- L&D Assessor Award
- L&D Verifier Award
- Specialist Industry Qualifications

In 2022-23, the College also launched the Aspire Programme, a development pathway for staff who are aspiring to be the leaders of the future. The programme aims to create a pathway that supports succession planning and creates a cohort of leaders for the future, through the development of leadership skills and behaviours.

Equality and Inclusion

Ayrshire College is a successful, community-focussed regional College and looks ahead knowing that it must support the inclusion and wellbeing of its staff and the social and economic recovery and future prosperity of local communities in Ayrshire. Over the next four years, the College has an opportunity through its Equality Outcomes 2021-2025 to make a difference to the lives and experiences of those most beset by inequality based on their protected characteristic(s). This is why the College's Equality Outcomes 2021-2025 speak to the significance and persistence of particular inequalities and the need to continue tackling these to secure long-term and sustainable change in the College.

By April 2025, the College aims to be a place of learning and working where:

- Equality Outcome 1: Students and staff with protected characteristics most likely to experience hate, report that they feel safe while engaged in study or work
- Equality Outcome 2: Curriculum areas with a male or female student gender imbalance greater than a 75:25 ratio have improved
- Equality Outcome 3: The rates of disclosure, retention and attainment of male students with a mental health condition have improved
- Equality Outcome 4: The recruitment and disclosure rates of staff with a disability have improved.

The College's [Statement of Ambition 2030 and Strategic Objectives 2021-2023](#) make clear the importance of embedding inclusion into everyday College business. As such, Ayrshire College is demonstrating that it is an organisation which has both a strategic vision and approach to equality, inclusion and diversity.

In accordance with the Public Sector Equality Duty (PSED) the College published its fifth, formal report in April 2023, in response to this Duty with the last review being in April 2021. The formal progress report is available on the College's website and can be reviewed here:

[Mainstreaming Equality 2019-2021 and Equality Outcomes 2021-2025 Report \(ayrshire.ac.uk\)](#)

In January 2023, the SFC published a set of National Equality Outcomes (NEOs) for colleges and universities to consider and adopt going forward. These NEOs have been aligned to the College's Equality Outcomes 2021-2025 and between now and April 2025, steps will be taken by the College to contribute to the achievement of these NEOs taking account of the College's context, students, and staff. The College is still of the belief that the equality outcomes it set itself in April 2021 afford the best opportunity to make a difference to the lives and experiences of those most beset by inequality based on protected characteristic(s). It is for this reason the College is continuing to progress with these equality outcomes also.

The NEOs can be viewed here: [Equality and diversity National Equality Outcomes \(sfc.ac.uk\)](#)

Health, Safety and Wellbeing

It is the policy of the College to pursue progressive improvement in the Health, Safety and Wellbeing of staff, students and visitors and take all reasonable steps to provide safe and healthy conditions in which to study, learn and work.

A range of developments were undertaken during 2022-23 to promote the College's culture of health, safety and wellbeing. These developments built on the strong foundation of work undertaken by the College in prior years. The College's Health, Safety and Wellbeing Team led on a range of initiatives to support staff and student mental health. For example, the College hosted staff and student wellbeing festivals with keynote speakers, a College wide challenge to support the charity British Inspiration Trust (BRIT), the return of on-campus yoga sessions, as well as a walking programme.

During 2022-23 the College has continued to raise awareness of a range of health, safety and wellbeing issues through regular communication, training and update sessions. Wherever possible, the College has collaborated with other agencies working in health and safety and engaged in joint projects that would benefit the College.

The College continues to align its health and safety activities to changes taking place within the sector and nationally. This includes the College promoting wellbeing themes in partnership with NHS Ayrshire & Arran and other agencies.

Student Involvement

The College places great importance on the student voice and the role of the Student Association. The Sabbatical President and Vice President are members of the Board of Management. In addition, each year students are invited to give feedback to the College through a range of formal and informal routes.

The performance report is approved by the Board of Management and is signed on its behalf by:

F McQueen
Chair

A Cox
Principal

ACCOUNTABILITY REPORT

Corporate Governance Report

Statement of Board of Management's Responsibilities

Remuneration and Staff Report

CORPORATE GOVERNANCE REPORT

Colleges are required to demonstrate robust governance, maintain a sound system of internal control and to ensure that the following key principles of effective risk management have been applied.

The College is committed to exhibiting best practice in all aspects of Corporate Governance. This summary describes the way the College has applied the principles set out in the Code of Good Governance for Scotland's Colleges. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In doing so, of the Board of Management, the College has complied with the Scottish Public Finance Manual (SPFM) throughout the year ended 31 July 2023. The College complies with all the principles of the 2016 Code of Good Governance for Scotland's Colleges and it has complied throughout the year ended 31 July 2023.

Board of Management

The Board of Management is responsible for the overall functioning and strategic direction of the College, including responsibility for planning the future development of the College and ensuring its effective management. In so doing, the Board of Management maintains an overarching responsibility for the management and conduct of College affairs. This includes the provision of the best possible education and learning environment for its students, the equality and diversity of staff and students; corporate governance and risk management; finance, planning, monitoring and audit; maintaining quality and standards; and maintaining the College estate. The Board of Management also ensures that there is an adequate system of accounting and internal controls which meets accepted accounting, budgetary control, and auditing standards.

The Board of Management, and through its committees, is provided with regular information on the overall financial performance of the College. The Board also receives information on performance against targets on quality matters and other related issues such as health, safety, and well-being.

The Board of Management meets on a quarterly basis but may hold additional meetings as needs demand. Meeting papers and confirmed minutes of all Board of Management meetings, and the meetings of the Board's committees are available from the Board Governance Advisor to the Board of Management and are published on the College website. Those papers and sections of the minutes deemed confidential by the Board of Management for reasons of commercial sensitivity or compliance with data protection legislation are normally "reserved". These are identified as such on agendas and minutes and are not available to the public.

Formal agendas, papers and reports are supplied to members in a timely manner prior to Board and committee meetings. Briefings are also provided to members on an ad-hoc basis.

Directors' Report

This section of the report sets out the members who served on the Board of Management during the year to 31 July 2023 (Table 5).

Table 5 – Serving Board Members 2022-23

Board Member	Committees Served	Status of Appointment	Date of Appointment	Date of Resignation
Norman Bone	1. Business, Resources & Infrastructure	Non-Executive Board Member	01/08/2021	
Beth Clelland	1. Business, Resources & Infrastructure 2. Learning, Teaching & Quality	Non-Executive Board Member	07/09/2020	
Angela Cox	1. Business, Resources & Infrastructure 2. Learning, Teaching & Quality	Principal Ex- Officio	05/09/22	
Stephen Graham	1. Audit and Risk 2. Learning, Teaching & Quality	Non-Executive Board Member	01/08/2019	05/07/2023
Ellie Jamieson	1. Business, Resources & Infrastructure 2. Learning, Teaching & Quality	Elected Student Member Student President	01/08/2021	
Lisa Keggans	1. Business, Resources & Infrastructure 2. Learning, Teaching & Quality	Elected Staff - Support	06/09/2022	
Robert Kean	1. Business, Resources & Infrastructure 2. Learning, Teaching & Quality	Elected Student Member Student Vice President	01/08/2021	
Fiona McQueen	1. Business, Resources & Infrastructure 2. Performance, Review & Remuneration 3. Search & Nomination	Chair of Ayrshire College BOM Chair of Ayrshire Regional College BOM	Non-Executive Board Member 01/08/18 Interim Chair 03/03/22 – 01/11/22	
Janette Moore	1. Business, Resources & Infrastructure 2. Learning, Teaching & Quality	Elected staff - Curriculum	05/10/2020	
Sharon Morrow	1. Learning, Teaching & Quality	Non-Executive Board Member	01/08/2021	
Gillian Murray	1. Business, Resources & Infrastructure	Non-Executive Board Member	06/12/2022	
Gordon Neill	1. Learning, Teaching & Quality	Non-Executive Board Member	06/12/2022	
Michael Stewart	1. Business, Resources & Infrastructure 2. Learning, Teaching & Quality 3. Performance, Review & Remuneration 4. Search & Nomination	Non-Executive Board Member & Senior Independent Member	01/08/2019	
Alison Sutherland	1. Audit and Risk 2. Learning, Teaching & Quality 3. Performance, Review & Remuneration 4. Search & Nomination	Non-Executive Board Member	01/08/2019	
Steven Wallace	1. Audit and Risk 2. Learning, Teaching & Quality 3. Performance, Review & Remuneration 4. Search & Nomination	Non-Executive Board Member Vice Chair of Ayrshire College BOM	01/08/2018	
Matthew Wilson	1. Audit and Risk 2. Business, Resources & Infrastructure	Non-Executive Board Member	07/09/2020	

The Principal became an ex-officio Board Member following her recruitment to the position of Principal in September 2022.

The Interim Chair, Fiona McQueen, was formally recruited to the Chair of the Board in November 2022.

The two co-opted members Gordon Neil and Gillian Murray became Non-Executive Board Members in December 2022 following a successful recruitment process.

Jane McKie was the requisite external member of the Search and Nomination Committee.

Table 6 details the number of Board of Management meetings that took place during the individual members' time as a board member during 2022-23 and how many of these meetings that they were able to attend (note co-opted members are not included in Table 6).

Table 6 – Board Members Attendance 2022-23

Board Member	Board meetings held during appointment period	Board meetings attended
Norman Bone	4	3
Beth Clelland	4	3
Angela Cox	4	4
Stephen Graham	4	4
Ellie Jamieson	4	4
Lisa Keggans	4	3
Robert Kean	4	1
Fiona McQueen	4	4
Janette Moore	4	3
Sharon Morrow	4	3
Gillian Murray	2	2
Gordon Neill	2	1
Michael Stewart	4	3
Alison Sutherland	4	4
Steven Wallace	4	3
Matthew Wilson	4	3

The College has an independent Board Governance Advisor to support the work of the Board of Management.

The Board of Management conducts its business through several committees. The committees comprise members of the Board of Management. The Board and its committees also have the authority to co-opt members, but co-opted members may not chair or vote at meetings.

The Board of Management has a strong and independent non-executive element of up to 12 members and no individual or group dominates its decision-making process. The Board of Management considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. In addition, the Board contains six members who are out with the non-executive category. These are the Chair (appointed by Scottish Ministers), the Principal (ex-officio), two elected student members and two elected staff members. These members are also expected to exercise impartiality of judgement and be free from any external influence or relationship that could materially interfere with the exercise of their independent judgement as board members.

Register of Interests

The Board Governance Advisor maintains a register of financial and personal interests of the members of the Board of Management, in so far as these relate to the activities of Ayrshire College. The register is available for inspection on the College website.

Appointments to the Board of Management

The Board of Management consists of not less than 15, but not more than 18 persons, of which not less than half shall be drawn from persons engaged in industrial, commercial or employment matters or from the professions or persons with an interest in and the ability to contribute to the management of the College. This is in line with the provisions of The Post-16 Education (Scotland) Act 2013. The other Board members include the Board Chair, who is appointed by the Scottish Government, the Principal, a curriculum/teaching staff member, a support/service staff member and two student members.

Any new appointments to the Board of Management are a matter for the consideration of the Board of Management as a whole. As such, there is a Search and Nomination Committee that is responsible for the selection and nomination of any new non-executive member for the Board of Management's consideration. The Search and Nomination Committee is also responsible on behalf of the Board for the process leading to the appointment of the College Principal. The Board of Management has an induction programme in place and Board development activities were held during 2022-23.

Audit and Risk Committee

The Audit and Risk Committee consists of non-executive members from the Board of Management. The Chair of the Board of Management and Principal are not members of the Audit and Risk Committee. This Committee's responsibilities are to oversee the external and internal audit of the College and provide assurance to the Board that the requirements of the Code of Audit Practice published by Audit Scotland are observed. The Audit and Risk Committee has delegated responsibility for ensuring the system of risk management established by Ayrshire College remains fit for purpose and is being appropriately maintained.

Business, Resources and Infrastructure Committee

The Business, Resources and Infrastructure Committee consists of members from the Board of Management including the Principal and the Chair of the Board. This Committee's responsibilities are to oversee the strategic and operational financial planning of the College and provide assurance to the Board on the financial expenditure, financial management and performance of the College. The Committee is responsible for overseeing all matters related to the College's continuing organisational development including oversight of the development, planning, and delivery of the overarching People Strategy, promoting a positive and inclusive culture, and reviewing and monitoring the quality and performance of associated programs of work.

In addition, the Committee oversees the strategic and operational planning of the estates function within the College and provides assurance regarding College estates matters to the Board.

Learning, Teaching and Quality Committee

The Learning and Teaching Committee consists of members from the Board of Management including the Principal and at least one student member. This Committee's responsibilities are to oversee and provide assurance to the Board on all matters related to the strategic development and delivery of learning, teaching and the student experience, including monitoring and reporting on the associated quality and performance.

Performance Review and Remuneration Committee

Membership of this Committee comprises the Chair of the Board of Management, the Vice Chair, the Senior Independent Member, and the chairs of each of the Board's committees. The Committee is chaired by a non-executive member of the Board and cannot be chaired by the Chair of the Board of Management. This Committee's responsibilities are to oversee all matters related to Performance Review and Remuneration of those members of staff whose remuneration consideration lies out with the scope of the National Recognition and Procedures Agreement (NRPA) and provide assurance to the Board on all such matters. In undertaking its deliberations, the Committee will take account of any advice given by the SFC in terms of remuneration any guidance issued by the Scottish Government, HM Treasury.

Search and Nomination Committee

Membership of this Committee comprises the Chair of the Board of Management, the Vice Chair, the Senior Independent Member, and the chairs of each of the Board's committees. The membership will also include an independent external co-opted member approved by the Board. This Committee's responsibilities are to oversee the appointment of the College Principal, oversee the recruitment and recommendation of new board members and to consider the reappointment of current members to the Board of Management. The Committee does this by ensuring that the search and nomination process is conducted in a fair and non-discriminatory manner with due regard to issues of equality, diversity and opportunity in any appointments recommended.

Personal data-related incidents

SFC requires colleges to outline any significant lapses of data security that take place during the year. During 2022-23, one personal data breach was reported to the ICO. This was a 'Confidentiality Breach' involving the accidental disclosure of personal data. The breach affected two data subjects (students), both were vulnerable and there was a potential significant risk of harm that could not be eliminated.

The ICO was satisfied that the breach was handled effectively and no further action was recommended.

GOVERNANCE STATEMENT

This statement has been prepared in accordance with Accounts Direction and Code of Good Governance for Scotland's Colleges requirements.

Principal Risks and Uncertainties

The College's Board of Management is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The SLT monitors key performance and risk indicators and considers possible control issues brought to its attention through operational planning and monitoring. The Senior Leadership Team (SLT) and the Audit and Risk Committee also receive regular reports from Internal Audit which include recommendations for improvement.

During the June 2022 Board and committee cycle, it was agreed that for 2022-23 onwards risk extracts are created for the Board of Management, the Business, Resources and Infrastructure Committee and the Learning and Teaching Committee. On behalf of the Board of Management, the Audit and Risk Committee reviews the Board's risk management position and considers the arrangements to mitigate the risks identified.

The College Risk Register is a standing agenda item for each meeting of the Audit and Risk Committee and thereafter the Board of Management. In addition, the relevant extracts from the Risk Register are presented to each committee for discussion, comment and approval.

The College Risk Register at the end of 2022-23 identified 18 strategic risks. The classification of these net risk scores was as follows:

- One risk was assessed as High
- Five risks were assessed as Medium
- Seven risks were assessed as Moderate
- Five risks were assessed as Low
- No risks were assessed as Very Low

STATEMENT OF INTERNAL CONTROL

Scope of Responsibility

The College's governing body is its Board of Management which is responsible for the College's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Purpose of the System of Internal Control

The College's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on ongoing processes designed to identify and prioritise the risks to the achievement of the College's policies, aims and objectives, to evaluate the likelihood of these risks being realised and the impact should they be realised, and to manage them effectively and economically.

Capacity to Handle Risk

The Board of Management has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. These key risks are identified and addressed within the risk register maintained by the College.

The Internal Control Framework

The College's system of internal control was in place for the duration of 2022-23 and continues to remain in place up to, and beyond, the date of approval of the College's financial statements. The College's internal control system is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and approved by the Board of Management.
- Regular reviews by the Board of Management and its designated sub-committee of periodic and annual financial reports which indicate financial performance against targets.
- Setting targets to measure financial and other performance.
- The operation of and reporting to the Board of Management from an Internal Audit service.

The College's Internal Auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to Management and the Audit and Risk Committee. The internal auditors concluded that the College's risk management activities and controls in the areas which were examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements.

Management is responsible for the implementation of agreed audit recommendations and the College's Internal Auditors undertake periodic follow-up reviews to ensure that such recommendations have been implemented. The Audit and Risk Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans. It also receives and considers reports from SFC and other key agencies as they affect the College's business and monitors adherence to the regulatory requirements. During 2022-23 no significant weaknesses were identified in the College's internal control framework.

Review of Effectiveness

The review of effectiveness of the system of internal control is informed by:

- The work of Internal Auditors, including their Annual Report on the College's control environment.
- The work of the Senior Leadership Team (SLT) whose members have responsibility for the development and maintenance of internal control framework.
- Comments made by the College's External Auditors.
- Comments made by the auditors appointed to audit specific areas such as the delivery of the credits target and the disbursement of student support funds.

The SLT receives reports setting out key performance and risk indicators and considers possible control issues brought to its attention by early warning systems which are embedded within the operational units and reinforced by risk awareness training. The SLT and the Audit and Risk Committee also receive regular reports from Internal Audit which include recommendations for improvement.

Going Concern

After making appropriate enquiries, the Board of Management considers that the College has adequate resources to continue operations for 2023-24. In addition, the Audit Scotland guidance 'Going Concern in the Public Sector' states that "the use of the going concern basis of accounting will always be appropriate for public bodies". For this reason, Ayrshire College continues to adopt the going concern basis in preparing the financial statements.

Conclusion

The College continued to improve and enhance its reputation in 2022-23, particularly in the areas of corporate governance, high quality learning and teaching, engagement with students, and strategic partnership working.

Approved by the Board of Management and is signed on its behalf by:

F McQueen
Chair

A Cox
Principal

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITIES

The Board of Management is required to present audited financial statements for each financial year.

In accordance with the Further and Higher Education (Scotland) Act 1992, the Board of Management is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Management is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and 2005, the Statement of Recommended Practice on Accounting for Further and Higher Education, the Government Financial Reporting Manual (FReM) and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between SFC and the College's Board of Management, the Board of Management, through its designated office holder, is required to prepare financial statements for each financial period which give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that period.

The financial statements are prepared in accordance with the accounts direction issued by SFC, which brings together the provisions of the financial memorandum with other formal disclosures that SFC requires the Board of Management to make in the financial statements and related notes. The College is a public benefit entity and has therefore also applied the public benefit requirements of FRS 102.

In preparing the financial statements, the Board of Management is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare financial statements on the going concern basis, unless it is inappropriate to presume that the College will continue in operation.

The Board of Management is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Management has taken reasonable steps to:

- Ensure that funds from the SFC are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe.
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources.
- Safeguard the assets of the College and prevent and detect fraud.
- Secure the economical, efficient, and effective management of the College's resources and expenditure.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, managers across the College
- A comprehensive planning process, supplemented by detailed annual budgets including income, expenditure, capital, and cash flows
- Regular reviews of key performance indicators and business risks and monthly reviews of financial results involving variance reporting and updates of forecast outturns
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Management
- Comprehensive financial regulations, detailing financial controls and procedures, approved by the Business Resources and Infrastructure Committee, Audit and Risk Committee, and the Board of Management
- A professional internal audit team whose annual programme is approved by the Audit and Risk Committee and endorsed by the Board of Management. The audit team provides the Board of Management with a report on internal audit activity within the College and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

Any system of internal financial control can however only provide reasonable, but not absolute, assurance against material misstatement or loss.

Disclosure of Information to Auditors

The members of the Board of Management confirm that, so far as they are aware, there is no relevant audit information of which the College's auditors are unaware. Each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by the Board of Management and is signed on its behalf by:

F McQueen
Chair

A Cox
Principal

REMUNERATION AND STAFF REPORT

Remuneration Policy

The post of Principal and the additional posts which make up the College's SLT (the Vice Principals and Assistant Principals) are not covered by national negotiating arrangements, within the terms of the National Recognition and Procedures Agreement (NRPA). All other service staff posts are covered by the NRPA regarding the negotiation of contractual issues in respect of terms and conditions of service and salaries.

The Principal's, Vice Principals' and Assistant Principals' salaries are on incremental salary scales, with annual contractual increments on the anniversary of appointment. There are no contractual arrangements for either performance-related pay or for the payment of bonuses.

The remuneration of the Chair is set by Scottish Ministers as detailed in Note 7 to these financial statements.

Operation of the Remuneration Committee

Membership of the Remuneration Committee comprises the Chair of the Board of Management and the chairs of each of the Board's committees. The Principal is not a member of the Remuneration Committee. The Committee's responsibilities are to agree remuneration for the Principal, Vice Principals and Assistant Principals. The Committee takes account of any advice given by the SFC in the remuneration of the Principal and SLT and takes account of any guidelines issued by the Scottish Government and/or UK Treasury. The Committee reports to the Board of Management on remuneration for senior staff.

The Principal could be called to attend a Remuneration Committee meeting for the purpose of presenting any paper relevant to the salary scale of members of the Vice Principals and / or Assistant Principals. As the Principal is not a member of the Remuneration Committee, the Principal would not be present during any decision making in this regard.

The Vice Principal People, Performance and Transformation can also be called to attend the meeting for the purpose of providing professional advice, as required by the Committee.

Senior Management Remuneration Including Salary and Pension Costs

Salary Entitlements

In this section of the report the College has set out the remuneration of the College's executive management during 2022-23 (Table 7).

Table 7 – Remuneration of Senior Management 2022-23

Name	12 months ended 31 July 2023				12 months ended 31 July 2022			
	Salary £000	Pension Benefit £000	Total £000	Annual Salary £000	Salary £000	Pension benefit £000	Total £000	Annual Salary £000
A Cox, Principal ¹	125	(13)	112	138				
A Campbell, Vice Principal	105	(30)	75	105	105	17	122	105
D Davidson, Vice Principal ²	19	48	67	89				
F McQueen, Chair ³	28	-	28	28	11	-	11	28
W Mackie, Chair ⁴	-	-	-	-	16	-	16	28
Movement During 2022-23								
C Turnbull, Principal ⁵	15			145	144			144
M Breen, Vice Principal ⁶	26			105	105			105
J Thomson, Vice Principal ⁷	65			94				

The details in tables 7-11 in this section of the report are subject to audit. The format of the tables has been set by the SFC as part of its accounts direction to colleges for 2022-23.

The pension benefit figure included within Table 7 is derived by using a calculation set out by SFC in the 2022-23 accounts direction. The accounts direction states that:

“the value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension right”.

Median Remuneration

Colleges are required by the FReM to disclose the relationship between the remuneration of the highest paid official and the median (middle of the range) remuneration of their workforce.

The highest paid member of the management team was the Principal. The Principal’s remuneration before pension benefits was in the range £135,000 - £140,000 (2021-22: £145,000-£150,000). This was 3.5 times (2021-22: 3.7 times) the median remuneration of the workforce which was £38,672 (2021-22: £38,672). This detailed in Table 8.

¹ Commenced employment in September 2022

² Appointed to position in June 2023

³ Appointed to the role of Interim Chair of the Board in 3 March 2022 and formally appointed as Chair of the Board in November 2022

⁴ Tenure as Chair of the Board ended in March 2022

⁵ Retired in September 2022

⁶ Resigned in October 2022

⁷ Resigned in June 2023

Table 8

Range of Workforce Remuneration	2022-23 £000	2021-22 £000	% Change
Highest paid official remuneration	138	143	-4.2%
Median (total pay and benefits)	39	39	0.00%
Median (salary only)	39	39	0.00%
Ratio	3.5	3.7	-4.2%
25th percentile (total pay and benefits)	26	26	0.0%
25th percentile (salary only)	26	26	0.0%
Ratio	5.3	5.5	-4.2%
75th percentile (total pay and benefits)	43	43	0.0%
75th percentile (salary only)	43	43	0.0%
Ratio	3.2	3.3	-4.2%

Accrued Pension Benefits

Pension benefits for employees are provided through the Scottish Teacher's Superannuation Scheme (STSS), a defined benefit scheme, which is notionally funded and contracted out of State Earnings-Related Pension Scheme, and the Strathclyde Pension Fund (SPF), a Local Government Pension Scheme.

Both STSS and the SPF were final salary pension schemes up to 31 March 2015. This means that pension benefits for service prior to that date are based on the final year's pay and the number of years that the person has been a member of the scheme. Since 1 April 2015 both schemes have moved to being Career Average Schemes in respect of service since that date.

Contribution rates for these two schemes are set annually for all employees, with the employer contribution rate being the same percentage of gross salary for all members of the respective schemes. Employee contribution rates increase in line with gross salary as set out in the rules for each scheme.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on final pensionable salary and years of pensionable service.

Senior Officials' Pension

Pension benefits are provided to senior officials on the same basis as all other staff. The senior officials are members of either the STSS or the SPF as noted below (Table 9).

Table 9 – Employer's Contributions by Senior Official

Name	Senior Official's Pension Scheme	Accrued pension at pension age at 31 July 2023 £000	Accrued lump sum at pension age at 31 July 2023 £000	Real increase in pension 1 August 2022 to 31 July 2023 £000	Real increase in lump sum 1 August 2022 to 31 July 2023 £000	CETV at 31 July 2023 £000	CETV at 31 July 2022 £000	Real increase in CETV £000
A Cox	SPF	2	-	2	-	31	-	31
A Campbell	STSS	30	83	(1)	(8)	513	530	(17)
D Davidson	SPF	24	1	3	-	290	249	41

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time.

The value of the accrued pension benefits has been calculated based on the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued because of their total Local Government service or transferred service from previous employment and not just their current appointment.

In considering the accrued pension benefits figures the following contextual information should be considered:

- The figures for pension and lump sum are illustrative only considering the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement.
- The accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period.

Compensation for Loss of Office

No compensation payments were made for the loss of office during 2022-23.

Approval was given for 53 members of staff to leave the College under a voluntary severance scheme. During 2022-23 the College made voluntary severance payments of £1,385,000

Table 10 – Voluntary Severance Payments 2022-23

Exit Package Cost Band	Number of compulsory redundancies	Number of other departures agreed (including any voluntary redundancies)	Total number of exit packages by cost band
<£10,000	-	15	15
£10,000 - £25,000	-	11	11
£25,000 - £50,000	-	22	22
£50,000 - £100,000	-	5	5
Total number of exit packages	-	53	53
Total cost (£)	-	£1,385,000	£1,385,000

Salaries and related costs for 2022-23 totalled £34,609,000 as noted below (Table 11).

Table 11 – Salaries and Related Costs 2022-23

	2022-23			2021-22
	Directly employed staff £000	Seconded and agency staff £000	Total £000	Total £000
Wages and salaries	27,036	97	27,133	25,715
Social security costs	2,519	-	2,519	2,589
Other pension costs	4,957	-	4,957	5,090
TOTAL	34,512	97	34,609	33,394
Average number of FTEs			667	695

In 2022-23, the College employed 520 females and 317 males. No member of staff currently identifies as non-binary or gender neutral. The College continues to promote trans and gender diverse inclusion to ensure all staff are supported.

In the year ended 31 July 2023 staff turnover was 7.0%. The figure for the year ended 31 July 2022 was 6.1%.

Sickness Absence

Total sickness absence during 2022-23 was 4.6%. Of this, 1.6% was due to short-term sickness and 3.0% was long-term sickness absence (Table 12).

Table 12 – Sickness Absence

Sickness Absence Duration	2022-23	2021-22
Short-term	1.6%	1.3%
Long-term	3.0%	2.4%
Total	4.6%	3.7%

Short-term absence is any absence lasting less than 28 days. Long-term absence is any absence lasting 28 days or more.

Trade Union Facility Time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, Ayrshire College provided support through paid facility time for union officials working at the College. The information for the year ended 31 July 2023 is set out below in the Tables 13 to 15.

Table 13 – Relevant Union Officials

Number of employees who were union officials during 2022-23	Employee number by FTE:
4.0	0.77

Table 14 – Percentage of Time Spent on Facility Time

Percentage	Number of Employees
0%	0
1%-50%	4
51%-99%	0
100%	0

Table 15 – Percentage of Pay Bill Spent on Facility Time

Total cost of facility time	£42,220
Total pay bill	£34,079,191
Percentage of total pay bill spent on facility time	0.12%

Total time spent on trade union activities as a percentage of total paid facility time hours during 2022-23 was 100%. The College also releases union officials to support staff with other meetings as required.

Fair Work Practices

The College is a fair work employer and demonstrates this through:

- Opportunity and staff development
- Equalities
- Commitment to the minimum wage
- Respect
- Continuing to enhance employee relations
- Collaboration and support throughout our workforce

Further work will continue on workforce development planning over the coming 12 months to strengthen the ability to support the Corporate Strategy.

Approval of the Remuneration Report

The Remuneration Report has been approved by the Board of Management and is signed on its behalf by:

F McQueen
Chair

A Cox
Principal

Independent auditor's report to the members of the Board of Management of Ayrshire College, the Auditor General for Scotland and the Scottish Parliament

Reporting on the Audit of the Financial Statements

Opinion on Financial Statements

We have audited the financial statements in the annual report and accounts of Ayrshire College for the year ended 31 July 2023 under the Further and Higher Education (Scotland) Act 1992 and section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the college's affairs as at 31 July 2023 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for Opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We were independent of the college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the college. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern Basis of Accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the college's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the college's current or future financial sustainability. However, we report on the college's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of Material Misstatement

We report in our separate Annual Audit Report, the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Board of Management for the Financial Statements

As explained more fully in the Statement of the Board of Management's Responsibilities, the Board of Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management is responsible for assessing the college's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the college's operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud.

Procedures include:

- using our understanding of the college sector to identify that the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 are significant in the context of the college;
- inquiring of the College Principal as to other laws or regulations that may be expected to have a fundamental effect on the operations of the college;
- inquiring of the College Principal concerning the college's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussion among our team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the college's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on Regularity of Expenditure and Income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for Regularity

The Board of Management is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on Other Requirements

Opinion Prescribed by the Auditor General for Scotland on the Audited Parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

Other Information

The Board of Management is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions Prescribed by the Auditor General for Scotland on the Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

Matters on Which we are Required to Report by Exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on Wider Scope Responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of Our Report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

David Eardley (for and on behalf of Azets)
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

December 2023

David Eardley is eligible to act as an auditor in terms of section 21 of the Public Finance and Accountability (Scotland) Act 2000.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR TO 31 JULY 2023

	Note	Recurring £000	Exceptional £000	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
INCOME					
SFC grants	2	46,044	-	46,044	46,272
Tuition fees and education contracts	3	3,757	-	3,757	3,989
Other grants and contracts	4	75	-	75	74
Other income	5	2,452	-	2,452	1,988
Investment income	6	385	-	385	-
Total Income		52,713	-	52,713	52,323
EXPENDITURE					
Staff costs	7	37,057	-	37,057	37,897
Restructuring costs	7	-	1,385	1,385	-
Exceptional Costs		-	1,510	1,510	-
Other operating expenses	9	10,214	-	10,214	8,782
Depreciation	12	3,895	-	3,895	4,072
Interest and other financial costs	10	2,548	-	2,548	3,051
Total Expenditure		53,714	2,895	56,609	53,802
Deficit before other gains/(losses)		(1,001)	(2,895)	(3,896)	(1,479)
Loss on disposal of assets		-	-	-	(66)
Deficit before tax		(1,001)	(2,895)	(3,896)	(1,545)
Taxation	11	-	-	-	-
Deficit for the year		(1,001)	(2,895)	(3,896)	(1,545)
Unrealised (deficit) / surplus on revaluation of assets				(5,836)	70
Actuarial (loss) / gain in respect of pension schemes				(10,868)	36,063
Total Comprehensive Income for the year				(20,600)	34,588

All items of income and expenditure relate to continuing activities and are unrestricted.

The Statement of Comprehensive Income is prepared under the FE/HE SORP. Colleges are also subject to Central Government accounting rules but the FE/HE SORP does not permit colleges to include Government non-cash allocations for depreciation in the Statement of Comprehensive Income. Note 30 provides details of the adjusted operating position on a Central Government accounting basis.

STATEMENT OF CHANGES IN RESERVES

	Income and Expenditure Account £000	Restricted Reserves £000	Revaluation Reserve £000	Total £000
Balance at 31 July 2021	(2,348)	466	58,840	56,958
Deficit from the income and expenditure statement	(1,545)	-	-	(1,545)
Revaluation	-	-	70	70
Transfers from pension reserve to income and expenditure reserve	36,063	-	-	36,063
Transfers between revaluation and income and expenditure reserve – HC Depreciation	1,605	-	(1,605)	-
Total comprehensive income for the year	36,123	-	(1,535)	34,588
Balance at 31 July 2022	33,775	466	57,305	91,546
Deficit from the income and expenditure statement	(3,896)	-	-	(3,896)
Revaluation	-	-	(5,836)	(5,836)
Transfers from pension reserve to income and expenditure reserve	(10,868)	-	-	(10,868)
Transfers between revaluation and income and expenditure reserve – HC Depreciation	1,594	-	(1,594)	-
Total comprehensive income for the year	(13,170)	-	(7,430)	(20,600)
Balance at 31 July 2023	20,605	466	49,875	70,946

BALANCE SHEET AS AT 31 JULY 2023

	Note	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Fixed Assets			
Tangible fixed assets	12	119,890	126,796
Total fixed assets		119,890	126,796
Net pension asset		-	11,518
Current Assets			
Stocks		36	43
Debtors	13	5,079	4,185
Cash and cash equivalents	19	11,685	12,713
Total current assets		16,800	16,941
Less: Creditors – amounts falling due within one year	14	14,110	12,234
Net current assets		2,690	4,707
Total assets less current liabilities		122,580	143,021
Less: Creditors – amounts falling due after more than one year	15	38,364	41,054
Less: Deferred capital grants due to be released after one year	16	10,318	8,642
Provisions			
Early Retirement Provision	17	994	1,188
Other Provisions	17	1,958	591
Net Assets excluding pension liability		70,946	91,546
Net pension liability	20	-	-
NET ASSETS INCLUDING PENSION LIABILITY		70,946	91,546
Income and expenditure account excluding pension reserve	18	20,605	22,257
Pension reserve	18	-	11,518
		20,605	33,775
Restricted Reserves		466	466
Revaluation Reserve	18	49,875	57,305
TOTAL RESERVES		70,946	91,546

The financial statements on pages 37 to 63 were approved by the Board of Management and are signed on its behalf by:

F McQueen
Chair

A Cox
Principal

CASH FLOW STATEMENT FOR THE YEAR TO 31 JULY 2023

	Note	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Cash outflow from operating activities			
Deficit for the year		(3,896)	(1,545)
Adjustment for non-cash items			
Depreciation	12	3,895	4,072
Net loss on disposal of fixed assets		-	66
Deferred capital grants released to income	16	(765)	(829)
Decrease/(increase) in stock		7	(13)
Increase in debtors	13	(893)	(646)
Increase in creditors	15	1,947	2,399
Increase/(decrease) in provisions	17	1,173	(242)
Net return on pension liability	20	650	4,002
Returns on investments and servicing of finance		385	(357)
Cash flows from investing and financing activities			
Interest receivable	6	(385)	-
Interest payable	10	-	357
PFI/NPD capital payments	15	(2,673)	(2,545)
Purchase of tangible fixed assets	12	(2,826)	(657)
Deferred capital grants receipts	16	2,353	450
(Decrease)/increase in cash and cash equivalents in the year		(1,028)	4,512
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash and cash equivalents in the year	19	(1,028)	4,512
Net funds at 1 August 2022		12,713	8,201
Net funds at 31 July 2023		11,685	12,713

NOTES TO THE FINANCIAL STATEMENTS

1 Statement of Principal Accounting Policies

a) Basis of Preparation

The financial statements are prepared on a going concern basis and show a deficit for the year of (£1,001,000) before non-recurring items, with an accumulated deficit on the income and expenditure reserve of £20,605,000. At 31 July 2023, current assets of £16,801,000 included cash and bank balances of £11,685,000. Creditors falling due within one year were £14,112,000, with net current assets of £2,689,000.

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP); *Accounting for Further and Higher Education* and in accordance with applicable Accounting Standards. They conform to guidance published by the Scottish Funding Council. In preparing these financial statements, management has ensured compliance with the requirements of FRS 102.

b) Basis of Accounting

The financial statements are prepared under the historical cost convention, modified by the revaluation of certain fixed assets.

c) Recognition of income

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Funds the College receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure account.

d) Grant Funding

Government revenue grants, including the recurrent grants from the Scottish Funding Council (SFC), are recognised in income over the periods in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the College is entitled to the funds, subject to any performance related conditions being met. The funds will be held in deferred income under creditors until conditions are met.

Grants from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

e) Maintenance of Premises

The cost of maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

f) Pension Schemes

Retirement benefits to employees of the College are provided by the Scottish Teachers' Superannuation Scheme (STSS) and the Strathclyde Pension Fund (SPF). The STSS is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. Contributions to the STSS are charged to the Statement of Comprehensive Income to spread the cost of pensions over employees' working lives with the College. The contributions are determined by qualified actuaries based on periodic valuations using the projected unit method. The SPF is a defined benefit scheme under the definitions set out in FRS102.

g) Tangible Fixed Assets

Private Finance Initiative (PFI) Assets

PFI contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the service passes to a PFI contractor.

Where the College is subject to the majority of the potential variations in property related profits or losses and has access to the risks and rewards of ownership (which is assessed having regard, in particular, to the quantum of finance provided by the private sector that is, in fact, at risk to the performance of the project) it recognises an asset and a corresponding liability for amounts due to the scheme operator to pay for the asset.

Assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the College.

The amounts payable to the PFI operators each year are analysed into three elements:

- Fair value of the services received during the year
- Finance cost and interest charge on the outstanding Balance sheet liability
- Payment towards liability – applied to write down the Balance sheet liability towards the PFI operator.

The annual cost of the service charge and finance cost are disclosed within Other Operating Expenses and Interest Payable notes 8 and 9 to these financial statements.

NPD Assets

The NPD model was developed and introduced as an alternative to, and has since superseded, the traditional PFI model in Scotland

The Scottish Futures Trust states that the "NPD model is defined by the broad core principles of:

- Enhanced stakeholder involvement in the management of projects
- No dividend bearing equity
- Capped private sector returns."

Guidance on the accounting and resource treatment of NPD payments was issued to colleges with NPD projects in August 2015.

The annual cost of the service charge and finance cost are disclosed within Other Operating Expenses and Interest Payable notes to these financial statements (notes 8 and 9).

g) Tangible Fixed Assets (continued)

Land and Buildings

Land and buildings inherited from the former Strathclyde Regional Council in 1993 are stated in the Balance Sheet at a valuation based on depreciated replacement cost for specialised properties and open market value for non-specialised properties, as at 31 July 2023, less amounts written off by way of depreciation.

Land and buildings acquired since incorporation are included in the balance sheet at revaluation plus cost where this is over £10,000. Project expenditure is counted as a single asset. Freehold land associated with the buildings and undeveloped freehold land is not depreciated. Freehold building costs are depreciated on a straight-line basis over their useful economic life, as assessed by external valuers, as follows:

Main buildings and infrastructure	up to	65 years
Temporary buildings	up to	10 years

Land and Buildings are formally revalued on a quinquennial basis, with an interim desktop review, to ensure the carrying value is not significantly different from fair value.

Leased assets are depreciated over the life of the lease.

Equipment

Equipment is capitalised as follows:

IT assets	-	Over £10,000 for single items or over £10,000 for groups of related assets
Other assets	-	Over £10,000 for single items or over £10,000 for groups of related assets

Equipment is depreciated on a straight-line basis over its useful economic life as follows:

Computer and media equipment	4 years
Other motor vehicles and equipment	4 to 5 years
Furniture and fittings	8 to 10 years

h) Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Leasing agreements that transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

Assets which are held under hire purchase contracts which have the characteristics of finance leases are depreciated over their useful lives.

i) Stocks

Stocks are items held for resale and are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

j) Taxation

As a Scottish charity, the College benefits by being exempt from corporation tax on income and surpluses which have been derived in pursuing activities designed to carry out the main objects of its charitable status. The College is exempted from levying VAT on most of the services it provides to students. For this reason, the College is generally unable to recover input VAT it suffers on goods and services purchased for Curriculum Areas. The College can recover VAT on certain trading activities and can partially recover some input tax on other non-Curriculum Area expenditure.

k) Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

l) Financial Instruments

The College only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and other loans to related parties. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

m) Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

In preparing these financial statements, management has made the following judgements:

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty:

- **Tangible Fixed Assets**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are considered.
- **Local Government Pension Scheme**
The present value of the Local Government Pension Scheme defined benefit liability depends on several factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability.

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has recorded a notional surplus. The College consider that they will not be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, and therefore the surplus has not been recognised in these financial statements in line with the requirements of FRS102.

		Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
2 SFC Grants			
FE recurrent grant (including fee waiver)		37,216	37,107
HE & FE childcare funds		392	408
Release of deferred capital grants		691	755
Maintenance grant		928	786
NPD unitary charge grant (include capital)		4,863	4,809
SFC grants re job evaluation		858	858
Other SFC grants		1,096	1,549
Total		46,044	46,272
3 Tuition Fees and Education Contracts			
FE fees – UK		558	542
HE fees		1,890	2,197
Education contracts		1,189	1,078
Other contracts		120	172
Total		3,757	3,989
4 Other Grant Income			
Release of deferred capital grants	16	75	74
Total		75	74
5 Other Operating Income			
Catering		852	467
Other income generating activities		905	1,026
Income from Foundation		5	15
Other income		690	480
Total		2,452	1,988
6 Investment income			
Net return on pension asset/liability		385	-
Total		385	-

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
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7 Staff Costs

Note	2023 £000	2022 £000
Wages and salaries	27,133	25,715
Social security costs	2,519	2,589
Other pension costs	4,957	5,090
	34,609	33,394
FRS 102 pension adjustments	1,035	3,645
Holiday Pay Accrual	555	-
Job Evaluation	858	858
Total	37,057	37,897
Curriculum departments	18,340	18,215
Curriculum services	5,905	5,540
Administration and central services	8,256	7,764
Premises	1,533	1,361
Catering	575	514
Sub-total	34,609	33,394
FRS 102 pension adjustments	1,035	3,645
Holiday Pay Accrual	555	-
Job Evaluation	858	858
	37,057	37,897
Non-recurring restructuring costs	1,385	-
Total	38,442	37,897

The average number of full-time equivalent employees, including higher paid employees, during the period was:

	2023 No.	2022 No.
Academic/teaching departments	290	307
Academic/teaching services	112	114
Administration and central services	193	200
Premises staff	49	49
Catering staff	23	25
Total	667	695

The number of staff, including senior post holders and the Principal, who received emoluments in the following ranges were:

	2023 No.	2022 No.
£60,001 to £70,000 per annum	1	-
£70,001 to £80,000 per annum	2	2
£80,001 to £90,000 per annum	3	5
£100,001 to £110,000 per annum	1	2
£130,001 to £140,000 per annum	1	-
£140,001 to £150,000 per annum	-	1

8 Senior Post-holders' Emoluments

The number of senior post-holders, including the Principal was:

Note	2022 No.3	2021 No.4
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	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Senior post-holders' emoluments are made up as follows:		
Salaries	353	353
Employers Pension contributions	71	73
Total Emoluments	424	426

The above emoluments include amounts payable to the Principal, who was also the highest paid senior post-holder, of:

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Salary Principal (C Turnbull to 5.9.22)	15	144
Salary Principal (A Cox from 5.9.22)	125	-
	140	144
Employers pension contributions	27	28

8 Senior Post-holders' Emoluments (continued)

In 2022-23 the Principal and one other senior post-holder were members of the Strathclyde Pension Fund and one senior post holder was a member of the Scottish Teachers Superannuation Scheme. All pension contributions were paid at the same rate as for other members.

The members of the Board of Management, other than the Chair (see below), the Principal and staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Chair's Remuneration

The College has paid the Chair's remuneration, set by Scottish Ministers, as follows:

2022-23: £27,560

2021-22: £27,560

This remuneration is not pensionable.

Note	Year Ended 31 July 2023 £000	Year Ended 31 July 2022 £000
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9 Other Operating Expenses

Teaching departments	1,607	1,533
Administration and central services	2,639	2,301
Kilwinning campus PFI service charge	841	812
Kilmarnock campus NPD unitary charge	1,558	1,435
Other premises costs	2,722	2,058
Childcare costs	392	408
Catering costs	455	235
Total	10,214	8,782

Year Ended 31 July 2023 £000	Year Ended 31 July 2022 £000
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Other operating expenses include:

Auditors' remuneration		
- external audit of these financial statements	51	35
- internal audit services	29	27
-		
Operating lease payments	179	97

	Note	Year Ended 31 July 2022 £000	Year Ended 31 July 2022 £000
10 Interest Payable			
Kilwinning Campus PFI interest charge		186	249
Kilmarnock Campus NPD interest charge		2,362	2,445
Pension finance costs	19	-	357
Total		2,548	3,051

11 Taxation

The Board does not consider that the College is liable for any corporation tax arising out of its activities during the period.

12 Tangible Fixed Assets

	Freshhold Land and Buildings £000	Leasehold Land and Buildings £000	PFI Building £000	NPD Building £000	Assets under Construction £000	Equipment £000	Total £000
Cost or Valuation							
At 1 August 2022	41,500	1,005	23,587	63,320	49	5,234	134,695
Additions	-	-	-	14	2,358	454	2,826
Revaluation	(4,510)	-	(3,910)	(3,986)	-	-	(12,406)
Disposals						(669)	(669)
At 31 July 2023	36,990	1,005	19,677	59,348	2,407	5,019	124,446
Depreciation							
At 1 August 2022	1,274	640	680	1,329	-	3,976	7,899
Provided during year	1,276	79	680	1,330	-	530	3,895
Write back re: revaluation	(2,550)	-	(1,360)	(2,659)	-	-	(6,569)
Disposals						(669)	(669)
At 31 July 2023	-	719	-	-	-	3,837	4,556
Net Book Value at 31 July 2023	36,990	286	19,677	59,348	2,407	1,182	119,890
Net Book Value at 31 July 2022	40,275	365	22,907	61,991	-	1,258	126,796
Inherited	22,857		10,022	16,996	-	-	49,875
Financed by capital grant	7,887	297	20	27	2,049	849	11,129
Other	6,246	(11)	9,635	42,325	358	333	58,886
At 31 July 2023	36,990	286	19,677	59,348	2,407	1,182	119,890

The College's Ayr, Kilwinning and Kilmarnock Campus properties were valued at 31 July 2023 by Gerald Eve in the capacity of external valuer. The basis of valuation adopted was that set out in FRS102 being fair value: market value for existing use or depreciated replacement costs (as defined by the Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors), depending on the type of asset being valued.

Note	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
13 Debtors: Amounts falling due within one year		
Trade debtors – net of provision for doubtful debts	105	156
Other Debtors	85	21
Prepayments and accrued income	4,889	4,008
	5,079	4,185

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
14 Creditors: Amounts falling due within one year		
Trade creditors	292	436
Other taxation and social security	618	954
Other Creditors	728	1,079
Accruals and deferred income	7,739	3,661
PFI Capital payment < 1 year	15 1,250	1,183
NDP Capital payment < 1 year	15 1,440	1,490
Deferred Capital Grants to be released in <1 year	16 811	899
Amounts owed to Scottish Funding Council	631	1,531
Bursaries and Student Support Funds for future disbursements	601	1,001
	14,110	12,234

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
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15 Creditors: Amounts falling due after one year

Capital Element of Kilwinning PFI expenditure: At 1 August 2022		3,297	4,417
Capital payments in year		(1,183)	(1,120)
		2,114	3,297
Less amount due within one year	14	(1,250)	(1,183)
At 31 July 2023		864	2,114
Capital Element of Kilmarnock NPD expenditure: At 1 August 2022		40,430	41,855
Capital payments in year		(1,490)	(1,425)
		38,940	40,430
Less amount due within one year	14	(1,440)	(1,490)
At 31 July 2023		37,500	38,940
Total		38,364	41,054

16 Deferred Capital Grants

	SFC £000	Non SFC £000	Total £000
At 1 August 2022			
Land and Buildings	6,941	1,721	8,662
Equipment	879	-	879
	7,820	1,721	9,541
Grants Received in the Year			
Land and Buildings	1,013	998	2,012
Equipment	341	-	341
	1,354	998	2,353
Released to Income and Expenditure Account			
Land and Buildings	(321)	(75)	(396)
Equipment	(369)	-	(369)
	(690)	(75)	(765)
At 31 July 2023			
Land and Buildings	7,633	2,645	10,278
Equipment	851	-	851
	8,484	2,645	11,129
Split as follows:			
Due to be released in <1 year	711	100	811
Due to be released in >1 year	7,773	2,545	10,318
	8,484	2,645	11,129

Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
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17 Provisions for Liabilities and Charges

Early Retirement Provision

At 1 August 2022	1,188	1,430
Expenditure in the period	(92)	(87)
Release of provision	(102)	(155)
At 31 July 2023	994	1,188

The above liability is in respect of future pension liabilities arising from early retirements prior to 2006 and now relating to 22 individuals receiving benefits (2021-22: 23). The pension liability has been revalued by an external valuer.

Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
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Other Provisions

At 1 August 2022	591	591
Expenditure in the year	(143)	-
Additional provision required in the year	1,510	-
At 31 July 2023	1,958	591

Most of the other provisions relates to dilapidations provisions on the leased property at Nethermains and provision re the final payment re the PFI contract at Kilwinning.

Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
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18 Reserves

Income & Expenditure Account

At 1 August 2022	22,257	18,195
Deficit for the year	(3,896)	(1,545)
Transfer from revaluation reserve	1,594	1,605
Transfer to pension scheme	650	4,002
At 31 July 2023	20,605	22,257

18 Reserves (continued)

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Pension Reserve		
At 1 August 2022	11,518	(20,543)
Current service cost	(2,965)	(5,540)
Employer contributions	1,905	1,869
Contributions re unfunded benefits	25	26
Net return on pension scheme	385	(357)
Actuarial gain in pension scheme	12,726	36,063
Asset Ceiling Adjustment	(23,594)	-
At 31 July 2023	-	11,518

Summary

Income & expenditure account	20,605	22,257
Pensions reserve	-	11,518
At 31 July 2023	20,605	33,775

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Revaluation Reserve		
At 1 August 2022	57,305	58,840
Revaluation	(5,836)	70
Transfer to income & expenditure account in respect of Depreciation on revalued assets (include element re PFI capital reserve)	(1,594)	(1,605)
At 31 July 2023	49,875	57,305

19 Analysis of Changes in Cash and Cash Equivalents

	At 1 August 2022 £000	Cash Flows £000	Other Changes £000	At 31 July 2023 £000
Cash	12,713	(1,028)	-	11,685
Total	12,713	(1,028)	-	11,685

20 Pensions and Similar Obligations

The College's employees belong to two principal pension schemes, the Scottish Teachers Superannuation Scheme (STSS) and the Strathclyde Pension Fund Scheme (SPF).

The total pension costs for the period were:

	Year to 31 July 2023 £000	Year to 31 July 2022 £000
STSS: contributions paid	3,027	3,195
SPF: Contributions paid	1,930	1,895
FRS 102 charge to the Income & Expenditure Account	1,035	3,645
Total Pension Cost (Note 6)	5,992	8,735

Scottish Teachers' Superannuation Scheme (STSS)

The last audited full actuarial and funding valuation was carried out at 31 March 2016. The results of this valuation were rolled forward to give an overall scheme liability of £53.5 billion at 31 March 2022.

Ayrshire College is unable to identify separately its share of the scheme's underlying assets and liabilities. However, as the scheme is unfunded, there can be no surplus or shortfall. Pension contribution rates will be set by the scheme's actuary at a level to meet the cost of pensions as they accrue.

Ayrshire College has no liability for other employers' obligations to the multi-employer scheme.

Financial Assumptions at 31 March 2022

Rate of return (discount rate) 1.55%

Rate of Return in Excess of:

Earnings increases (2.50)%

Price increases (1.30)%

Employer contributions were payable to the STSS at a rate of 23%. Employer rates are reviewed every five years following a scheme valuation from the Government Actuary. The rate of employee's contributions vary dependant on the employee's salary.

Strathclyde Pension Fund (SPF)

The SPF is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution by the employer made for the year ended 31 July 2023 was 1,930,000.

Under the requirements of Financial Reporting Standard 102 (FRS102), the College is required to disclose information on its share of assets and liabilities of the Strathclyde Pension Fund on a market value basis at the end of the accounting period. The figures quoted form the basis of the balance sheet and funding status of Ayrshire College as at 31 July 2023, in respect of its pension obligations under this Local Government Pension Scheme (LGPS). This information is set out below:

Principal Actuarial Assumptions

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	3.70%	3.5%
Rate of increase for pensions in payment/inflation	3.00%	2.8%
Discount rate for liabilities	5.05%	3.5%
Expected return on assets	0.00%	0.0%

The current mortality assumptions include allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

		At 31 July 2023	At 31 July 2022
Current pensioners	Males	19.1	19.6
	Females	22.0	22.4
Future pensioners	Males	20.3	21.0
	Females	23.9	24.5

The approximate allocation of scheme assets is as follows:

	At 31 July 2023	At 31 July 2022
Equities	61%	60%
Bonds	27%	27%
Property	10%	11%
Cash	2%	2%
	100%	100%

The assets and the liabilities of the scheme were:

	At 31 July 2023 £000	At 31 July 2022 £000
Total Market Value of Assets	78,475	76,389
Present value of scheme liabilities:		
Funded	(53,880)	(64,475)
Unfunded	(351)	(396)
Asset ceiling adjustment		-
	(24,244)	
Surplus/(deficit) in the Scheme	-	11,518

20 Pensions and Similar Obligations (continued)

	At 31 July 2023 £000	At 31 July 2022 £000
Employer service cost (net of employee contributions)	2,965	5,540
Past service cost	-	-
Total operating charge	2,965	5,540

	At 31 July 2023 £000	At 31 July 2022 £000
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	2,688	1,202
Interest on pension liabilities	(2,303)	(1,559)
Pension finance income/(costs)	385	(357)

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Movements on Pension Scheme Deficit		
Surplus/(deficit) in scheme at 1 August 2022	11,518	(20,543)
Movement in year:		
Current service charge	(2,965)	(5,540)
Contributions by members	1,905	1,869
Contributions in respect of unfunded benefits	25	26
Net return on pension assets	385	(357)
Actuarial gains/(losses)	12,726	36,063
Asset ceiling adjustment	(23,594)	-
Surplus/(Deficit) in scheme at 31 July 2023	18 -	11,518

Asset and Liability Reconciliation

Reconciliation of Liabilities		
Liabilities at 1 August 2022	64,871	95,213
Service cost	2,965	5,540
Interest cost	2,303	1,559
Contributions by members	593	572
Actuarial gain	(14,900)	(36,509)
Estimated Unfunded Benefits Paid	(25)	(26)
Estimated Benefits Paid	(1,576)	(1,478)
Liabilities at 31 July 2023	54,231	64,871

20 Pensions and Similar Obligations (continued)

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Reconciliation of Assets		
Assets at 1 August 2022	76,389	74,670
Expected return on assets	2,688	1,202
Contribution by members	593	572
Contribution by employer	1,905	1,869
Contribution in respect of unfunded benefits	25	26
Actuarial (gain)/loss	(1,524)	(446)
Estimated unfunded benefits paid	(25)	(26)
Estimated benefits paid	(1,576)	(1,478)
Assets at 31 July 2023	<u>78,475</u>	<u>76,389</u>

Amounts for the current and previous accounting periods

Fair value of employer assets	78,475	76,389
Present value of defined benefit obligation	(54,231)	(64,871)
Asset Ceiling Adjustment	(24,244)	-
Surplus/(Deficit)	<u>-</u>	<u>11,518</u>

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has recorded a notional surplus. The College consider that they will not be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, and therefore the surplus has not been recognised in these financial statements in line with the requirements of FRS102.

21 Related Party Transactions

The Board of Management of Ayrshire College is a body incorporated under the Further and Higher Education (Scotland) Act 1992 and is funded by the Scottish Funding Council (SFC), which is sponsored by the Scottish Government's Enterprise and Lifelong Learning department.

SFC is regarded as a related party. During the year to 31 July 2023 Ayrshire College had various material transactions with SFC and Scottish Government Departments, as well as with other entities for which the Scottish Government is regarded as the sponsor via the Student Awards Agency for Scotland and several other Colleges and higher education institutions. In addition, Ayrshire College has had transactions with Skills Development Scotland, Colleges Scotland and a small number of material transactions with other Scottish Government Departments and other central government bodies.

Due to the nature of the College's operations and the composition of its Board of Management (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the College's Board of Management may have an interest.

All transactions involving organisations in which a member of the Board of Management may have a material interest are conducted at arm's length and in accordance with normal project and procurement procedures.

21 Related Party Transactions (continued)

In addition to the above-mentioned bodies, the College had transactions during the year or worked in partnership with publicly funded or representative bodies in which members of the Board of Management hold or held official positions as noted below:

Board Member	Position	Organisation	Sales/ Purchases by the College in the year
Fiona McQueen	Member	Scottish Police Authority	Sales - £700 Purchases - £21,767
Faroque Hussain	Police officer	Police Service of Scotland	Sales - £700 Purchases - £21,767
Mike Stewart	Employee	Chevron Aircraft Maintenance Ltd	Sales - £2,400 Purchases - £nil
Steven Wallace	Employee	University of Strathclyde	Sales - £11,616 Purchases - £1,875

There were no transactions exceeding £5,000 with any other organisations associated with Board Members in 2022-23.

Three members of the Board of Management were employed by the College in the year as follows:

BoM Member	Job Title
Mrs A Cox	Principal and Chief Executive
Janette Moore	Staff Member Curriculum
Lisa Keggans	Staff Member Support

22 FE Bursary and Other Student Support Funds

	FE Bursary	FE Hardship	EMA's	Other	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000	£000	£000	£000	£000
Balance brought forward	250	259	-	144	653	331
Allocation received in year	8,890	1,328	434	200	10,852	11,402
Interest	-	-	-	-	-	-
	9,140	1,587	434	344	11,505	11,733
Expenditure	(7,228)	(2,617)	(434)	(208)	(10,487)	(9,491)
Repaid to SFC/SAAS	(250)	(259)	-	(136)	(645)	(1,477)
Repayable to SFC as clawback	-	-	-	-	-	(112)
Balance carried forward	1,662	(1,289)	-	-	373	653
Represented by:						
Repayable to SFC as clawback	1,662	(1,289)	-	-	373	645
Retained by College for students	-	-	-	-	-	8
						653

The above grants are available solely for students, the College acting only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

23 FE & HE Childcare Funds

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Balance brought forward	348	219
Allocation received in period	620	756
	968	975
Expenditure	(392)	(408)
Repayable to SFC as clawback	(348)	(219)
Balance carried forward	228	348
Represented by:		
Net repayable to SFC as clawback	228	348
	228	348

Childcare Fund transactions are included within the College Statement of Comprehensive Income in accordance with the Accounts Direction issued by the Scottish Funding Council.

24 Commitments under Operating Leases

As at 31 July 2023 the College had annual commitments under non-cancellable operating leases as set out below:

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Expiry within 1 year	45	-
Expiry within 2 to 5 years	356	-
Total	401	-

25 Capital Commitments

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Contracted for at 31 July 2023	277	2,550

26 Ayrshire College Foundation

The Ayrshire College Foundation was formed on 20 December 2013. The Foundation, an independent Scottish Charity, has as its charitable objectives, the furtherance of the charitable objectives of the College which, broadly, are the advancement of education in Ayrshire.

In 2022-23 the Foundation agreed grant funding of £300,000 to the College in respect of a contribution towards the Future Skills Hub.

27 PFI Contract and Kilwinning Campus

Payments remaining to be made under the PFI contract at 31 July 2023 are as follows:

	Payment for services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total £000
Payable in 2023-24	842	1,250	119	2,211
Payable within 2 to 5 years	552	864	49	1,465
Payable within 6 to 10 years	-	-	-	-
Total	1,394	2,114	168	3,676

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Balance at start of year	3,297	4,417
Payments made in the year	(1,183)	(1,120)
Balance outstanding at end of the year	2,114	3,297

28 NPD Contract and Kilmarnock Campus

Payments remaining to be made under the NPD contract at 31 July 2023 are as follows:

	Payment for services	Reimbursement of Capital Expenditure	Interest	Total
	£000	£000	£000	£000
Payable in 2023-24	1,470	1,440	2,275	5,185
Payable within 2 to 5 years	6,261	6,253	8,226	20,740
Payable within 6 to 10 years	8,245	9,634	8,046	25,925
Payable > 10 years	13,896	21,613	5,971	41,480
Total	29,872	38,940	24,518	93,330

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
Balance at start of year	40,430	41,855
Payments made in the year	(1,490)	(1,425)
Balance outstanding at end of the year	38,940	40,430

29 Post Balance Sheet Events

There are no post balance sheet events to report.

30 Contingent Liabilities

There are no contingent liabilities at 31 July 2023 (31 July 2022: £nil).

31 Non-Cash Allocation

Following reclassification, colleges received additional non-cash budget to cover depreciation, but this additional budget is not recognised under the FE/HE SORP accounting rules. As a result, colleges show a deficit equivalent to net depreciation (where funds are spent on revenue items) in order to meet Government accounting rules and the requirement to spend the entire cash allocation.

	2022-23	2021-22
	£000	£000
Deficit before other gains and losses (FE/HE SORP basis)	(3,896)	(1,545)
Add back: Non-cash allocation for depreciation (net of deferred capital grant)	3,129	3,243
Operating (deficit) / surplus on Central Government accounting basis	(767)	1,698

Under the FE/HE SORP, the College recorded an operating deficit of (£3,896,000) for the year ended 31 July 2023. After taking account of the Government noncash budget, the College shows an “adjusted” deficit of £767,000 on a Central Government accounting basis.

ACCOUNTS DIRECTION FOR SCOTLAND'S COLLEGES 2022-23

1. It is the Scottish Funding Council's direction that institutions⁸ comply with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts⁹.
2. Institutions must comply with the accounts direction in the preparation of their annual report and accounts in accordance with the Financial Memorandum with the Scottish Funding Council (SFC) or the Regional Strategic Body (RSB) (for assigned colleges).
3. Incorporated colleges and Glasgow Colleges' Regional Board are also required to comply with the Government Financial Reporting Manual 2022-23 (FReM) where applicable. In cases where there is a conflict between the FReM and the SORP, the latter will take precedence.
4. Incorporated colleges and Glasgow Colleges' Regional Board must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2023.
5. The annual report and accounts should be signed by the chief executive officer / Executive Director and by the chair, or one other member of the governing body.
6. Incorporated colleges and Glasgow Colleges' Regional Board should reproduce this Direction as an appendix to the annual report and accounts.

Scottish Funding Council
20 July 2023

⁸ The term "institutions" includes colleges and Glasgow Colleges' Regional Board

⁹ Glasgow Colleges' Regional Board's accounts are prepared on a consolidated basis, incorporating the results of City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College. New College Lanarkshire's accounts are also prepared on a consolidated basis, incorporating the results of South Lanarkshire College

AR/JN



Azets Audit Services Limited
Exchange Place
Semple Street
Edinburgh
EH3 8BL

Dear Sirs

Letter of Representation

This representation letter is provided in connection with your audit of the financial statements of Ayrshire College ('the College') for the year ended 31 July 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992, the Accounts Direction issued by the Scottish Funding Council, UK Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Statement of recommended practice: Accounting for further and higher education, the Government Financial Reporting Manual (FRoM) where applicable and the Financial Memorandum between the Scottish Funding Council and the College.

General

1. We acknowledge, as members of the Board of Management, our responsibility for preparing an annual report and financial statements which give a true and fair view in accordance with Further and Higher Education (Scotland) Act 1992, the Accounts Direction issued by the Scottish Funding Council, UK Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of recommended practice: Accounting for further and higher education, the Government Financial Reporting Manual (FRoM) where applicable and the Financial Memorandum between the Scottish Funding Council and the College, and for making accurate representations to you.
2. All the transactions undertaken by the company have been properly reflected and recorded in the accounting records.

Ayr Campus
Dam Park
Ayr, KA8 0EU
T 01292 265184
E enquiries@ayrshire.ac.uk

Kilmarnock Campus
Hill Street
Kilmarnock, KA1 3HY
T 01563 523501
E enquiries@ayrshire.ac.uk

Kilwinning Campus
Lauchlan Way
Kilwinning, KA13 6DE
T 01294 559000
E enquiries@ayrshire.ac.uk



3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the college, and with all other records and related information requested, including minutes of all management and shareholder meetings.

Adjustments and Disclosures

4. The financial statements are free of material misstatements, including omissions.
5. We have reviewed and approved all disclosures made in the financial statements and we are not aware of any other matters which require disclosure in order to comply with the requirements of the Further and Higher Education (Scotland) Act 1992, the Accounts Direction issued by the Scottish Funding Council, UK Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of recommended practice: Accounting for further and higher education and the Government Financial Reporting Manual (FRoM) where applicable.

Internal Control and Fraud

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
7. We have disclosed to you all instances of known or suspected fraud affecting the college involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the college's financial statements communicated by current or former employees, analysts, regulators or others.
9. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we deem necessary to address the likely effects of the COVID-19 pandemic on our system of internal controls.

Assets and Liabilities

10. The college has satisfactory title to all assets and there are no liens or encumbrances on the college's assets except for those that are disclosed in the notes to the financial statements.
11. There were no changes in fixed assets during the period ended 31/07/2023 other than those disclosed in the accounts.

12. We have reviewed the residual values attached to fixed assets and confirm they are still appropriate and reasonable reflections of these assets condition and usage.
13. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
14. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
15. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
16. We confirm that the college has not contracted for any capital expenditure other than as disclosed in the financial statements.

Accounting Estimates

17. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and Arrangements

18. The college has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

Legal Claims

19. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

Laws and Regulations

20. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements and disclosures, including non-compliance matters:
 - a. Involving financial impropriety;
 - b. Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the [company / group]'s financial statements;

- c. Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the college's business, its ability to continue in business, or to avoid material penalties; and
 - d. Involving management, or employees who have significant roles in internal control, or others.
21. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, other than those already disclosed.

Related Parties

22. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and we confirm that such information is complete. We are not aware of any other matters which require disclosure in order to comply with the requirements of company law or accounting standards.

Subsequent Events

23. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going Concern

24. We believe that College's financial statements should be prepared on a going concern basis on the grounds that sufficient funding has been made available to the College to support the anticipated continuation of the provision of services.
25. We also confirm our plans for future action(s) required to enable the College to continue as a going concern are feasible.
26. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the College's ability to continue as a going concern need to be made in the financial statements.
27. Our assessment at the date of approval of these accounts is that the pandemic does not create a material uncertainty related to going concern. The financial statements discloses matters of which we are aware that are relevant to the College's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

Disclosure of Information to the Auditor

- 28. We acknowledge our legal responsibilities regarding disclosure of information to you as auditor and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

- 29. Each board member has taken all the steps that they ought to have taken as a board member in order to make aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

Signed on behalf of the Board of Management by:

..... **Chair of Board**
(Fiona McQueen)

..... **Principal**
(Angela Cox)

..... **Date**

Board of Management Meeting

14 December 2023

Strategic Objective Reference:	SO3 Embedding a culture of open leadership and empowerment SO4 Working with partners and businesses SO5 High performing college underpinned by excellence in stewardship and governance SO7 Developing staff and students to enable excellence
Subject:	Annual Health, Safety and Wellbeing Report (2022-2023)
Purpose:	To provide an annual report on the College's performance in relation to health, safety and wellbeing for the period 1 August 2022 to 31 July 2023.
Action Required:	Members are asked to consider the report for approval.
Appendices:	Yes

1. Background

The report is a key element of the College's governance processes in enabling and supporting a positive culture, focussed on maintaining the highest possible standards of health, safety and wellbeing.

The report was prepared by the Health, Safety and Wellbeing team and provides members with a summary of the performance monitoring data and information received by BRIC during academic year 2022-2023.

2. Current Situation/Assessment

The Annual Report (included as Appendix 1) provides members with a summary of the College's performance in relation to Health, Safety and Wellbeing for the academic year 2022-2023.

3. Proposals and Recommendations

The Annual Report is submitted to members for consideration and approval.

The report was considered by BRIC on 21 November 2023 and recommended to the Board of Management for approval.

4. Risks

Supporting and enabling a positive culture which gives the highest priority to health, safety and wellbeing is essential for the ongoing success and sustainability of the College.

5. Equality and Diversity Impact Assessment

Not applicable.

David Davidson
Vice Principal
People, Performance and Transformation
7 December 2023

(Martin Hammond, Head of Health, Safety and Wellbeing)


*This paper will be published on the College website



Paper 10a

Health, Safety & Wellbeing

Annual Report
August 2022 – July 2023



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1 Introduction

The Annual Health, Safety and Wellbeing Report provides a summary of the College's health and safety performance for the academic year 2022-2023.

The College continued to raise awareness of a range of health, safety, and wellbeing issues during the year, through regular communication, training, and update sessions. Wherever possible, the College collaborated with other agencies working in health and safety and engaged in joint projects that supported the College.

The report also summarises the work that is currently planned for the future. To meet these aims, the College will continue to align its health and safety activities to changes taking place within the Sector and nationally.

2 Executive Summary

The Annual Report covers the period 1 August 2022 to 31 July 2023.

This report provides an overview for Board Members, the Senior Leadership team, managers, and all staff, of the actions taken to protect our staff, students, contractors, clients, and members of the public during the academic year.

The approach to health, safety and wellbeing management within Ayrshire College is documented in the College Health, Safety and Wellbeing Policy.

This annual report also provides an opportunity to review the progress of the College regarding health, safety, and wellbeing. The data contained within the report provides a benchmark for ongoing trend analysis to enable comparison.

During the year, two new Health, Safety and Wellbeing Advisers joined the Health, Safety and Wellbeing team to replace colleagues who had left to take up promoted positions.

3 Health and Safety Reporting and Monitoring

3.1 Regulation Action and Visits

During the reporting period, the College consulted with representatives from Local Authorities, the Health and Safety Executive, NHS Ayrshire and Arran, and Scottish Fire and Rescue on a range of statutory and reporting matters.

In accordance with the requirements of The Fire (Scotland) Act 2005 and the associated Fire Safety (Scotland) Regulations 2006, the following evacuations were recorded as fire drills.

3.2 Fire Alarm Activations

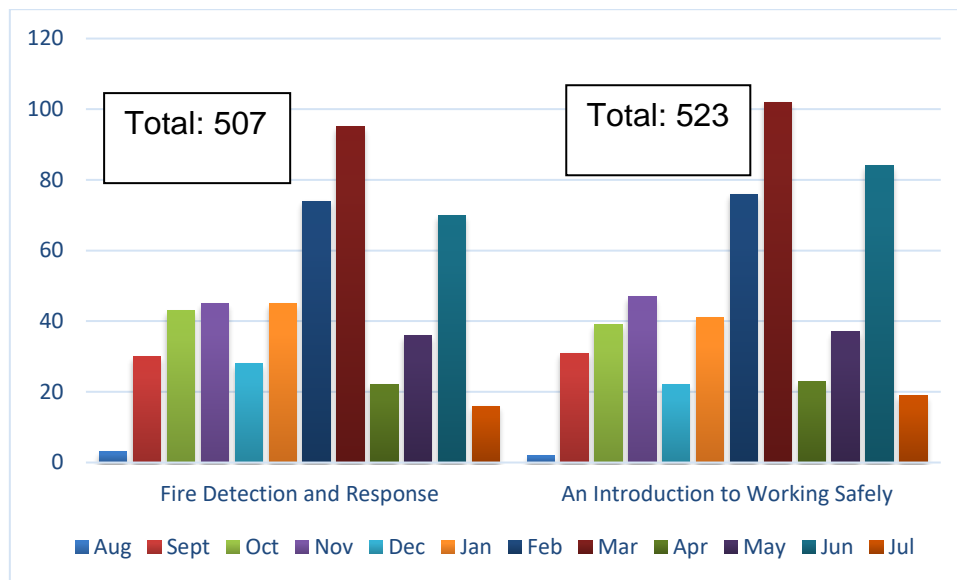
Date	Campus
12/08/2022	Ayr (Riverside)
29/08/2022	Kilmarnock
13/09/2022	Nethermains
13/09/2022	Ayr (Dam Park – evening class)
13/09/2022	Kilwinning (evening class)
14/09/2022	Kilwinning
15/09/2022	Ayr (Riverside – evening class)
21/09/2022	Ayr (Riverside)
29/09/2022	Kilmarnock
04/10/2022	Kilmarnock
11/10/2022	Kilmarnock
31/10/2022	Kilmarnock
02/11/2022	Kilwinning
07/11/2022	Ayr (Riverside)
06/02/2023	Ayr (Dam Park)
14/02/2023	Ayr (Dam Park)
08/03/2023	Kilmarnock
24/04/2023	Ayr (Aeronautical)
24/05/2023	Ayr (Dam Park)
26/05/2023	Kilmarnock
13/07/2023	Kilwinning
18/07/2023	Kilmarnock
27/07/2023	Ayr (Riverside)

4 Health and Safety Training

4.1 Online Training

Details of mandatory health and safety course completions: Fire Detection and Response and an Introduction to Working Safely, during the reporting period are shown below in Table 1.

Table 1



In addition to the mandatory courses, a comprehensive suite of health and safety eLearning courses is also available to staff.

4.2 Bespoke Training

Staff with line management responsibility are enrolled on the IOSH Managing Safely eLearning programme and a total of 19 completed the qualification during the reporting period.

In preparation for the Scottish Fire & Rescue response changes, 14 staff attended fire investigation training.

Staff also took the opportunity to complete a range of health, safety, and wellbeing modules, available from the College's Staff Learning Portal.

5 Audits

Within the reporting period, three audits were completed in Estates (Kilmarnock) and Catering Services (Kilmarnock and Kilwinning). The audit programme and schedule was impacted by the recruitment process for the two new Health, Safety and Wellbeing Advisers.

Audit Type	No. Completed	No. of Actions	Completed Actions	Actions in Progress
Department	3	26	26 (100%)	0

6 Health, Safety and Wellbeing Committee

The Health, Safety and Wellbeing Committee is formed under statute and is the principal consultation forum on health and safety within the College. The Committee meets on a regular basis and is chaired by the Vice Principal – People, Performance and Transformation or nominated deputy. Membership represents all work groups, including trade unions and student representation. Meetings of the Committee took place as follows:

- 11 October 2022
- 28 February 2023
- 08 June 2023

7 Campus Safety Groups

The College has an extensive consultation framework in respect of Health, Safety and Wellbeing.

In addition to the Health, Safety and Wellbeing Committee, all main campuses have a dedicated Campus Safety Group which meet on a regular basis. Representatives from these groups attend the Health, Safety and Wellbeing Committee. The Campus Safety Groups are led by a member of the College Leadership Team, based on the respective campus.

8 Policies and Procedures

Health, Safety and Wellbeing procedures and guidance documents are reviewed and updated on a regular basis. The policy and procedures reviewed within session 2022-23 included:

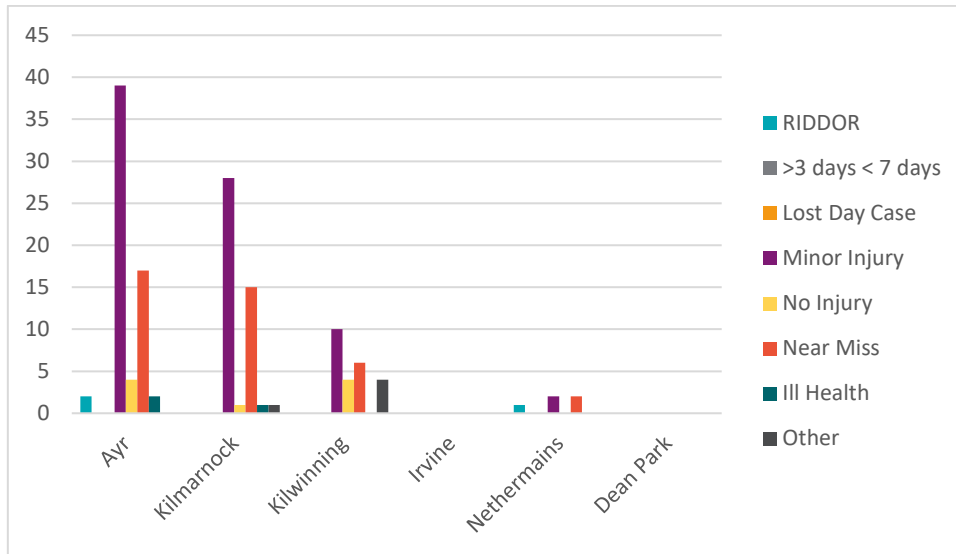
Procedure	Review date	Issue number
Management of Noise Procedure	October 2022	2
Health & Safety Legislation Tracker	October 2022	4
Infectious and Reportable Diseases	October 2022	3
Audit and Inspection Procedure	October 2022	3
Pregnant Person Risk Assessment	January 2023	1

9 Accident and Incidents

The College is required by statute to record and maintain records of accidents that occur in connection with its work and activities. The regular reports on Health, Safety and Wellbeing received by the Senior Leadership Team, Business, Resources and Infrastructure Committee and Health, Safety and Wellbeing Committee also include quarterly accident and incident data for consideration and review.

During the reporting period, there were 139 accidents and incidents reported to the Health, Safety and Wellbeing team, details are set out in the following tables.

Table 2: Incidents by Type and Campus August 2022 – July 2023



	Ayr	Kilmarnock	Kilwinning	Irvine	Nethermains	Dean Park
RIDDOR	2	0	0	0	1	0
>3 days < 7 days	0	0	0	0	0	0
Lost Day Case	0	0	0	0	0	0
Minor Injury	39	28	10	0	2	0
No Injury	4	1	4	0	0	0
Near Miss	17	15	6	0	2	0
Ill Health	2	1	0	0	0	0
Other	0	1	4	0	0	0
Total	64	46	24	0	5	0

The total number of incidents increased by 23% from academic year 2021-22. This increase can be attributed to a full return to on campus learning. Of the above statistics, 19 staff members, 51 students, and 5 school pupils were involved in a RIDDOR incident or sustained a minor injury.

The Health, Safety and Wellbeing team continue to support areas by attending staff team meetings to promote good practice, raise awareness and ensure that the necessary learning takes place following incidents.

Incident classification statistics by campus are provided at Appendix 1.

The definitions of accident, near miss, dangerous occurrence and incident are set out at Appendix 2.

9.1 Sector Benchmarking

During the year, a revised Sector benchmarking approach was adopted and as part of this process, the College has submitted its reporting period figures to the Association of Colleges (AoC) benchmarking exercise, which now includes colleges from England, Scotland, and Wales. It is anticipated that the results from this will be shared late 2023 or early 2024 and reported in subsequent Committee papers.

The health, safety and wellbeing benchmarking process that was in place across the FE Sector in Scotland was not well supported and, therefore, provided limited comparative data.

The HSW team measure the College's accident / incident rate, based on 830 staff 11,794 students and tracks against the KPI set out within the People Strategy 2022-2025.

Accidents/Incidents August 2022 – July 2023	Total
Staff accidents involving injury + total dangerous occurrences + occupational diseases	19
Staff accidents/incidents per 1000 at risk	22.89
<i>KPI on rate of accidents and incidents staff (2025 position)</i>	20
Student accidents involving injury + total dangerous occurrences + occupational diseases	57
Student accidents/incidents per 1000 at risk	4.83
<i>KPI on rate of accidents and incidents for students (2025 position)</i>	6

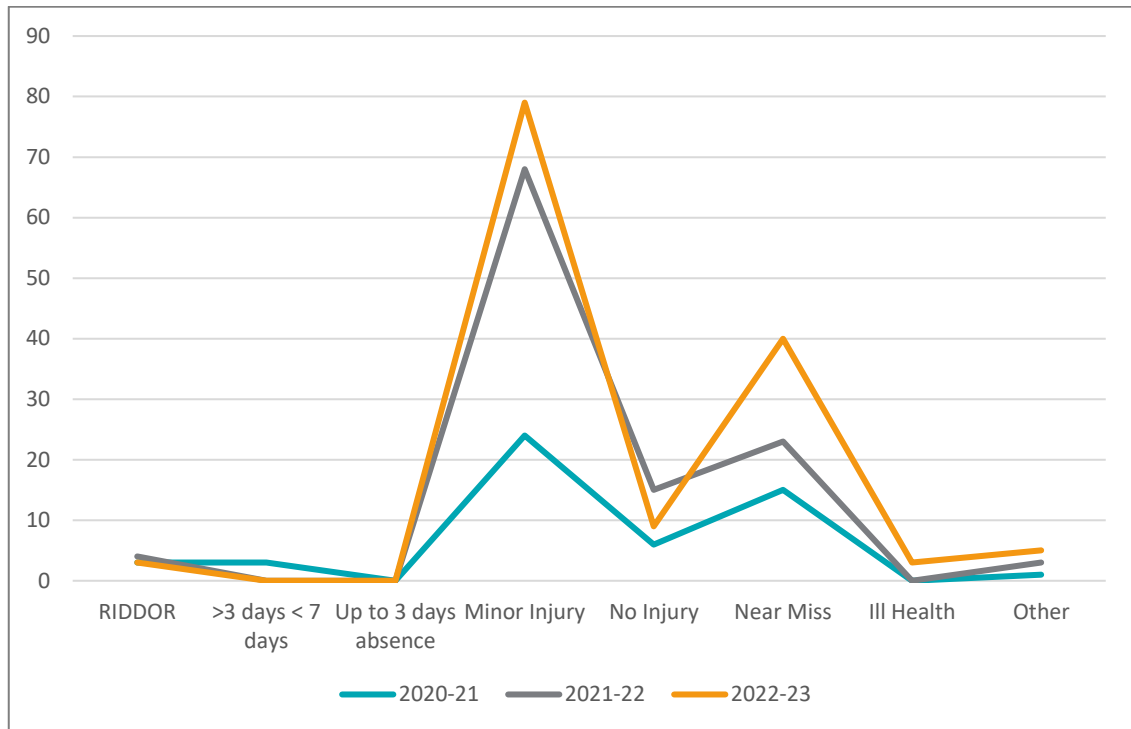
9.2 RIDDOR Reporting

There were 3 incidents reported to the Health and Safety Executive under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences) detailed in the following table.

Campus	Date	Location	Details
Ayr Campus	November 2022	College campus	Hit by moving, flying, or falling object.
Nethermains Campus	January 2023	College campus	Contact with moving machinery or material being machined.
Ayr Campus	May 2023	College campus	Handling glass or sharps.

Trend Analysis

Table 3: Incident trend by Type August 2020 – July 2023



Incidents by Type	2020-21	2021-22	2022-23
RIDDOR	3	4	3
>3 days < 7 days	3	0	0
Up to 3 days absence	0	0	0
Minor Injury	24	68	79
No Injury	6	15	9
Near Miss	15	23	40
Ill Health	0	0	3
Other	1	3	5
Total	52	113	139

Due to staff and students returning to campus as the pandemic restrictions eased, the number of accident and incidents more than doubled from 52 to 113 when compared with 2020-2021.

10 Civil Action Claims

There was one new liability claim received and one open during the review period.

Person Involved	Injury	Current Position
Staff	Injury to shoulder	Open
Student (new)	Injury to ankle	Open

11 Health and Wellbeing

11.1 Occupational Hygiene

During the review period, occupational hygiene assessments were undertaken by an external occupational hygienist as set out below.

- Dust monitoring of the bricklaying area in Ayr Campus. The findings of the monitoring are being reviewed and will be discussed with the curriculum area.
- Noise monitoring of the wood machine workshop in Ayr Campus. All current control measures are appropriate, and no additional recommendations were made.

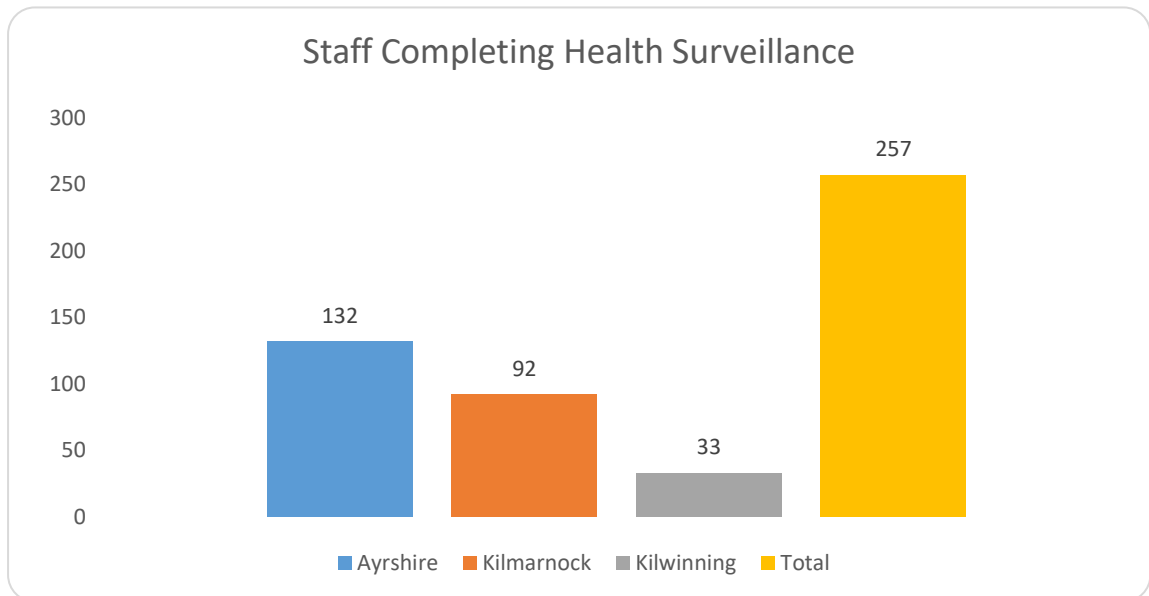
11.2 Occupational Health

Occupational Health is a specialist branch of medicine which focuses on health in the workplace and is concerned with the physical and mental wellbeing of staff.

The College's external occupational health provider offers support on work-related illnesses and accidents, conducts medical health checks for new and existing staff and monitors the health of staff. They also assist in the management of short and long-term absences. A total of forty-seven occupational health referrals were supported during the period.

11.3 Health Surveillance

The health surveillance programme was carried out between May and June 2023, with some follow up appointments carried forward to August 2023. The total number of staff assessed across the 3 campuses is noted in the graph below.



The total number of health surveillance activities carried out totalled 497 with 15 (3%) cancellations and 18 (3.6%) did not attend (DNAs) noted at first appointment given. An individual appointment may consist of one or multiple interventions. Multiple interventions include a variety of health surveillance activities including audiometry, spirometry, skin surveillance and HAVs.

The data demonstrates an excellent programme of health surveillance in relation to attendees with very few appointments requiring to be re-appointed due to cancellation or DNA. This supports and demonstrates that close and effective working relationships are pivotal to ensure maximum attendance at appointments. The table below displays the numbers and percentages of interventions. As seen, respiratory and skin surveillance account for 30% and 48% of overall health surveillance.

Surveillance Activity	Appts. Attended	Percentage
Audio 1st	1	0.2%
Audio Review	72	14%
HAVS Paper Screen T2	30	6%
HAVS Nurse T3	3	0.6%
HAVS OHP T4	2	0.4%
Respiratory 1st	2	0.4%
Respiratory Review	147	29.5%
Skin 1st	14	3%
Skin Review	226	45.4%
Total	497	

To date all Ayrshire College staff who have attended health surveillance have been passed fit to continue their roles. This indicates that the current control measures in place would appear to be suitable and sufficient.

11.4 Employee Assistance Programme

Staff counselling services provide confidential advice and support via telephone or through private consultation with staff. Following a procurement process during the reporting period, the College engaged with a new provider: MCL Medics who also provide employee assistance to other colleges in the sector.

11.5 Staff Support Programme and Wellbeing Activities

A programme of cross campus wellbeing events and campaigns was delivered:

Wellbeing Event / Activity	Date
Staff Wellbeing Festival	August 2022
My Mental Health Matters	September/October 2022
12 Days of Christmas	December 2021
New Year, Happy You!	January 2023
Time to Talk day	February 2023
Cycle to Work scheme	March – April 2023
National Walking month	May 2023
Staff and students participated in Kilmarnock's 'Roon the Toon' 10K race	June 2023
Staff Wellbeing Day	June 2023
Feel good Friday	Throughout reporting period
A range of digital promotional materials focussing on wellbeing topics	Throughout reporting period

On-campus flu vaccination clinics were organised for staff to attend in November 2022 and 168 staff took this opportunity.

The Cycle to Work scheme was made available to staff, which led to eight members of staff purchasing bicycles.

Four secure bike units were installed at the Kilwinning campus.

As part of national walking month in May, the HND Sport & Fitness students organised a walk from Kilwinning campus to Kilmarnock campus in memory of former student and professional wrestler Adrian 'Lionheart' McCallum.

Over 25 staff and students represented the College in the Kilmarnock 'Roon the Toon' 10K run.

The College maintained "feel good Friday" which included no regularly recurring internal meetings during Friday afternoons and the College day coming to an end at 4pm on Fridays. This was well received and has continued into academic year 2022-2023

12 Future Direction

12.1 Objectives for Health and Safety Performance

- 1 H&S Policy - Review and revise H&S Policy. This is the cornerstone document for Health, Safety & Wellbeing (HSW) Management with objectives set for continued improvements to enhance the HSW culture. The policy will be available for all staff to access via the College intranet portal.
- 2 H&S Management Support Software – Towards the end of the reporting period the College procured a new safety management system, at significantly reduced cost, and the HSW team will embed this within the organisation during 2023-24.
- 3 H&S Training – Deliver specific H&S training to Senior Leadership Team, College managers and staff.
- 4 Occupational Health - Ensure continued or enhanced provision of Occupational Health support to staff for the purpose of statutory health surveillance, health monitoring, counselling, and general support. Deliver appropriate health and wellbeing events across the campuses. Maintain and enhance, as necessary, the College's health surveillance program for staff. Explore the Investors in People (IIP) Wellbeing at Work award and achieve this accreditation in 2023-24.
- 5 Maintain support to staff and students – The HSW Team continue to provide support, training and advice to all staff and students to enhance the Health and Safety culture. The intranet portal will also be reviewed and updated for staff materials and resources including procedures, reporting forms, information, and guidance.
- 6 Monitoring and Review – All aspects of the H&S Management system of the College will continue to be monitored and reviewed through proactive and reactive approaches including accident/incident reporting and investigation and inspections, surveys, and audits. The allocation of responsibilities for health and safety matters and the arrangements in place with which to carry out the policy are also reviewed on a regular basis.

David Davidson
Vice Principal People, Performance and Transformation
14 November 2023

(Martin Hammond, Head of Health, Safety and Wellbeing)

Appendix 1

Ayr Campus

Incident Groups:

Accident / Incident Report Form

Dashboards:

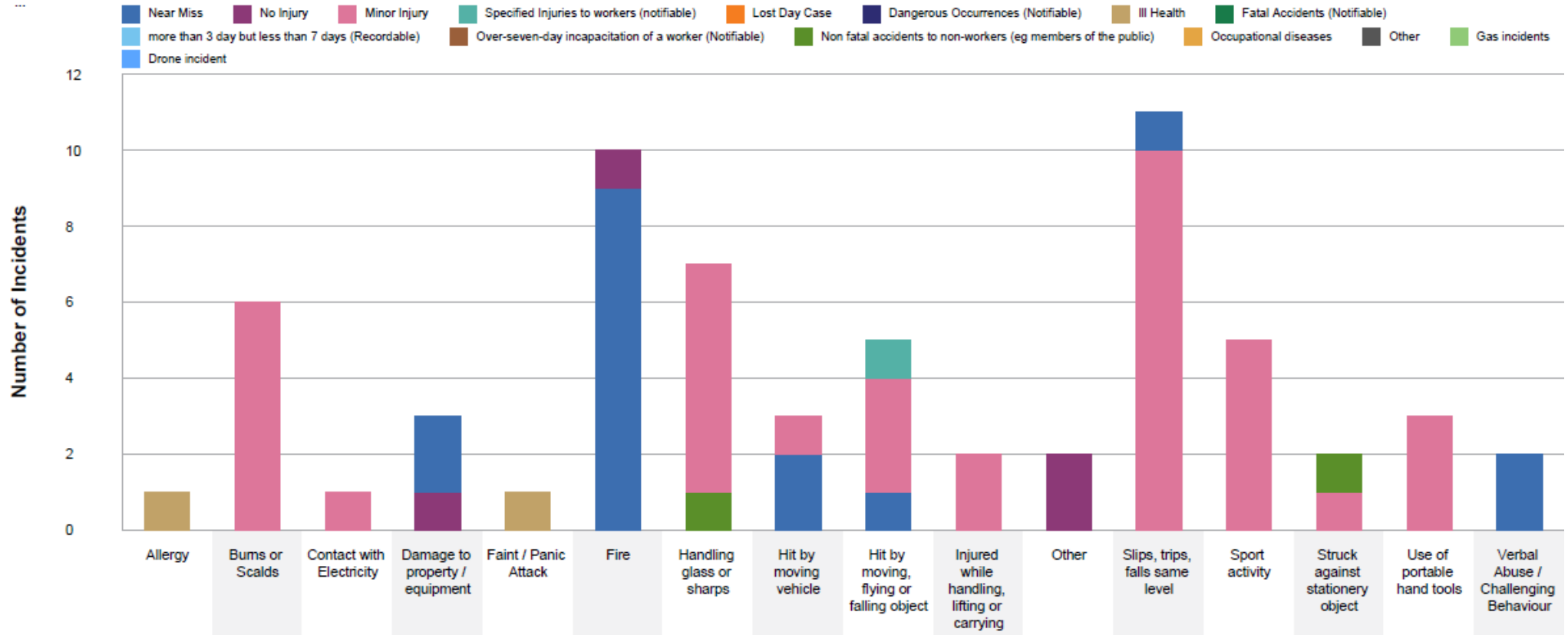
Ayr Campus, Aerospace, Engineering & Science (Ayr), Arts, Fashion, Music & Sound Production (Ayr), Business & I.T. (Ayr), Care & Early Years (Ayr), Construction (Ayr), Finance (Ayr), Hair ...

Selected Incident Types:

Near Miss, No Injury, Minor Injury, Specified Injuries to workers (notifiable), Lost Day Case, Dangerous Occurrences (Notifiable), Ill Health, Fatal Accidents (Notifiable), more than 3 day but ...

Report Period:

01-Aug-2022 to 31-Jul-2023 (inclusive)



Kilmarnock Campus including Dean Park

Incident Groups:

Accident / Incident Report Form

Dashboards:

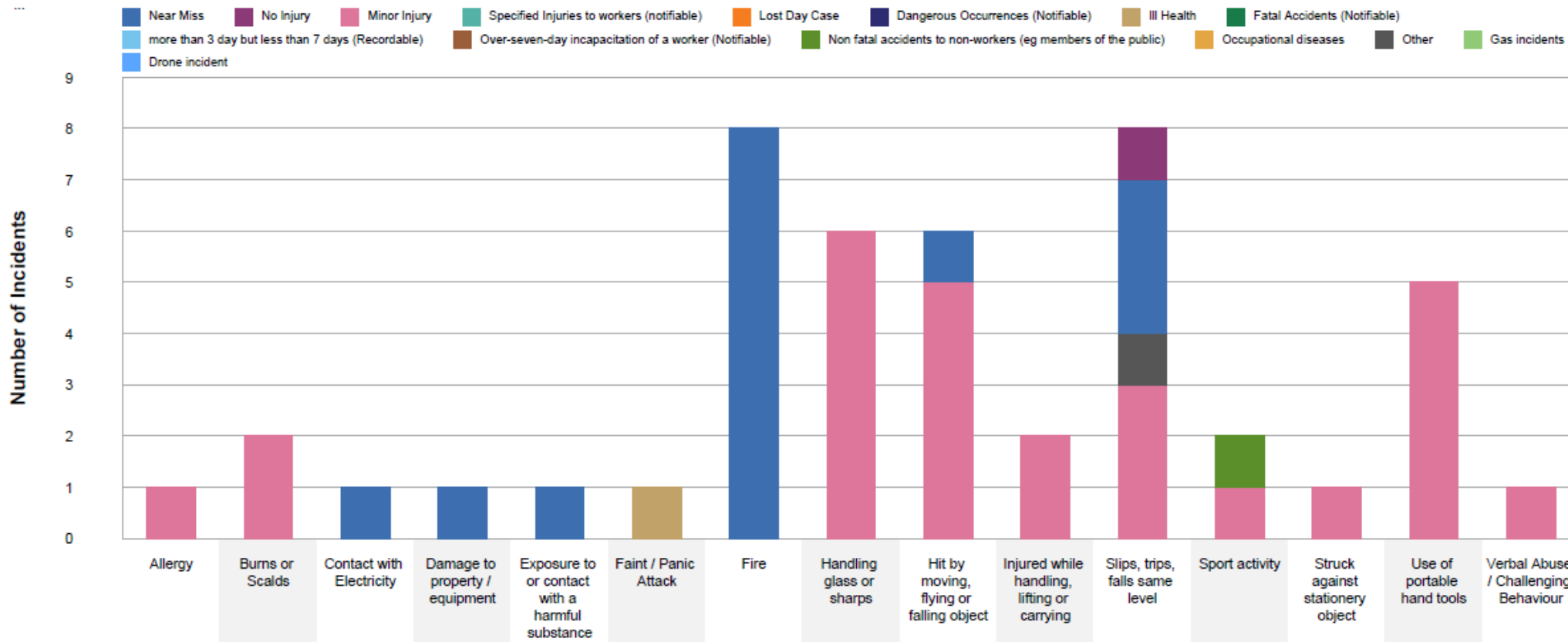
Kilmarnock Campus, Aerospace, Engineering & Science (kmk), Business & I.T. (kmk), Care & Early Years (kmk), Construction (kmk), Finance (kmk), Hair Beauty Comp Therapy & Make-Up ...

Selected Incident Types:

Near Miss, No Injury, Minor Injury, Specified Injuries to workers (notifiable), Lost Day Case, Dangerous Occurrences (Notifiable), Ill Health, Fatal Accidents (Notifiable), more than 3 day but ...

Report Period:

01-Aug-2022 to 31-Jul-2023 (inclusive)



Kilwinning Campus

Incident Groups:

Dashboards:

Selected Incident Types:

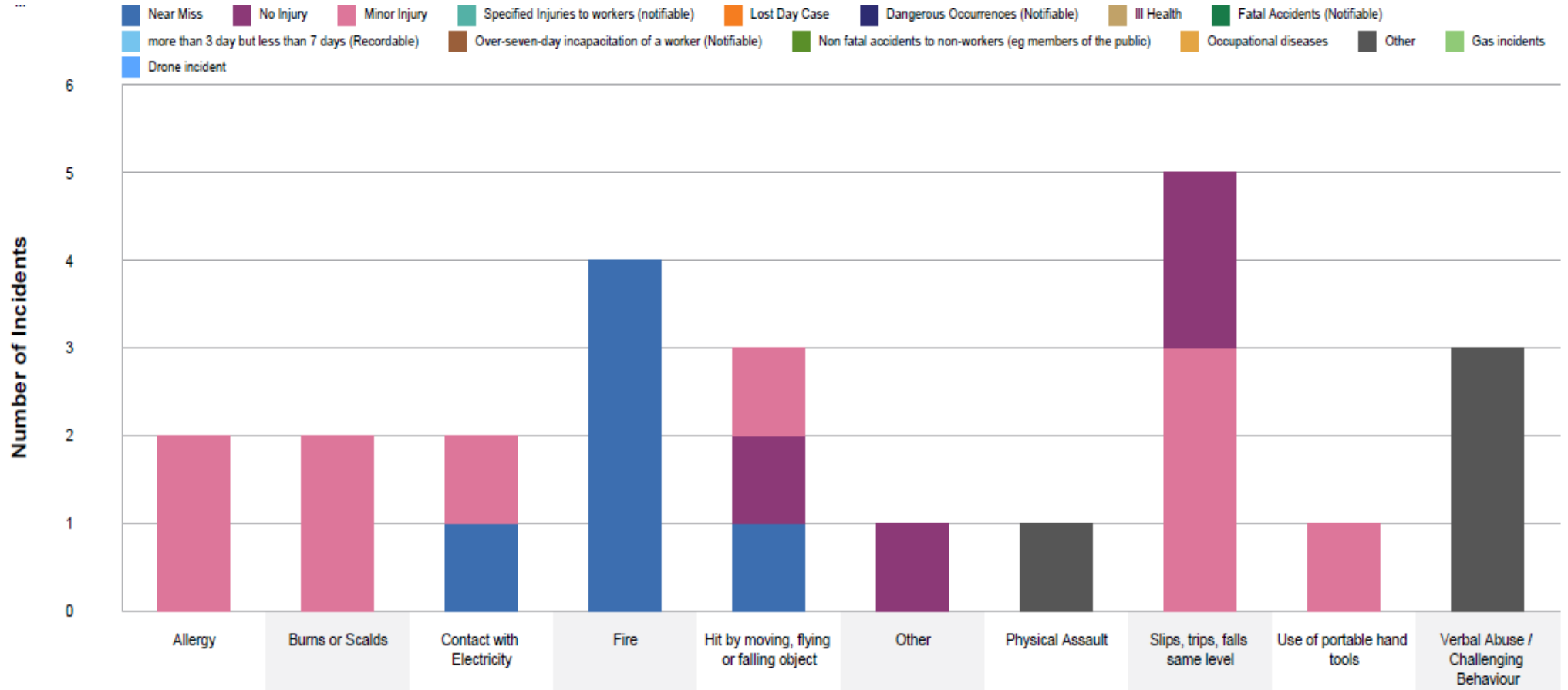
Report Period:

Accident / Incident Report Form

Kilwinning Campus, Aerospace, Engineering & Science (Kwg), Arts, Fashion, Music & Sound Production (kgw), Business & I.T. (kgw), Care & Early Years (kgw), Finance (kgw), Hair Beauty ...

Near Miss, No Injury, Minor Injury, Specified Injuries to workers (notifiable), Lost Day Case, Dangerous Occurrences (Notifiable), Ill Health, Fatal Accidents (Notifiable), more than 3 day but ...

01-Aug-2022 to 31-Jul-2023 (inclusive)



Nethermains

Incident Groups:

Accident / Incident Report Form

Dashboards:

Nethermains Campus, Construction (Neth)

Selected Incident Types:

Near Miss, No Injury, Minor Injury, Specified Injuries to workers (notifiable), Lost Day Case, Dangerous Occurrences (Notifiable), Ill Health, Fatal Accidents (Notifiable), more than 3 day but ...

Report Period:

01-Aug-2022 to 31-Jul-2023 (inclusive)



Appendix 2

Definition of Accident, Near Miss, Dangerous Occurrence, and Incident

Under the terms of Ayrshire College Health, Safety and Wellbeing Policy an Accident, Near Miss, Dangerous Occurrence and Incident is defined below:

An accident

The Health and Safety Executive define an accident as “any unplanned event that resulted in injury or ill health of people, or damage or loss to property, plant, materials or the environment or a loss of business opportunity”.

Example: A builder dropping a brick from a height, which caused injury to a person underneath, would be classed as an accident.

Near miss

A near miss can be defined as, “any event, which under slightly different circumstances, may have resulted in injury or ill health of people, or damage or loss to property, plant, materials or the environment or a loss of business opportunity”.

Example: A builder dropping a brick from a height, which just missed a person standing underneath, would be classed as a “near-miss” incident. This incident did not cause an injury to a person but, under slightly different circumstances (the person standing nearer to the contact point) the person may have been injured.

Dangerous occurrence

A dangerous occurrence can be defined as, “any incident that has a high potential to cause death or serious injury” and is specified by the Reporting of Incidents, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR). There are 27 categories of dangerous occurrences that are relevant to most workplaces.

Example: The collapse, overturning or failure of load-bearing parts of lifts and lifting equipment; plant or equipment coming into contact with overhead power lines; the accidental release of any substance which could cause injury to any person.

Environmental incidents and miscellaneous incidents

Anything untoward such as threatening behaviour, physical violence, work related road traffic accident, leaks, odours etc. These may have underlying implications that impact on Health, Safety, Health, and Wellbeing.

Further guidance is available from the Health and Safety Executive [RIDDOR guide reference INDG453](#).



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Board of Management**14 December 2023**

Strategic Objective Reference:	SO4 Working with partners and businesses SO5 High performing college underpinned by excellence in stewardship and governance SO6 Being environmentally sustainable
Subject:	2022-23 Procurement Report
Purpose:	To report on the Colleges 2022-23 procurement performance.
Action Required:	Members are asked to consider the report for approval and publication.
Appendices:	Yes

1. Background

The Procurement Reform (Scotland) Act 2014 (PRA) requires public organisations, that have an estimated annual regulated spend of £5 million or more, to develop and implement a Procurement Strategy, which is reviewed annually. Organisations (including HE and FE Colleges) must also publish an Annual Procurement Report, describing procurement activities conducted during the same period as the Procurement Strategy Update.

2. Current Assessment

The 2022-23 Procurement Report (**Appendix 1**) summarises how the College has performed in its procurement activities and on delivery of its Procurement Strategy.

The report was considered by the 21 November BRI Committee who after review were content to recommend the Annual Report for consideration and approval by the Board of Management.

3. Proposals and Recommendations

The 2022-23 Annual Report is presented to members, for consideration and approval.

4. Risks

The report advises of adjustments to the Procurement Strategy, which are necessary to secure future performance improvements and to enable the College to respond to local, national and global economic, political, social, and financial risks.

5. Equality and Diversity Impact Assessment

An EqlA is not required.

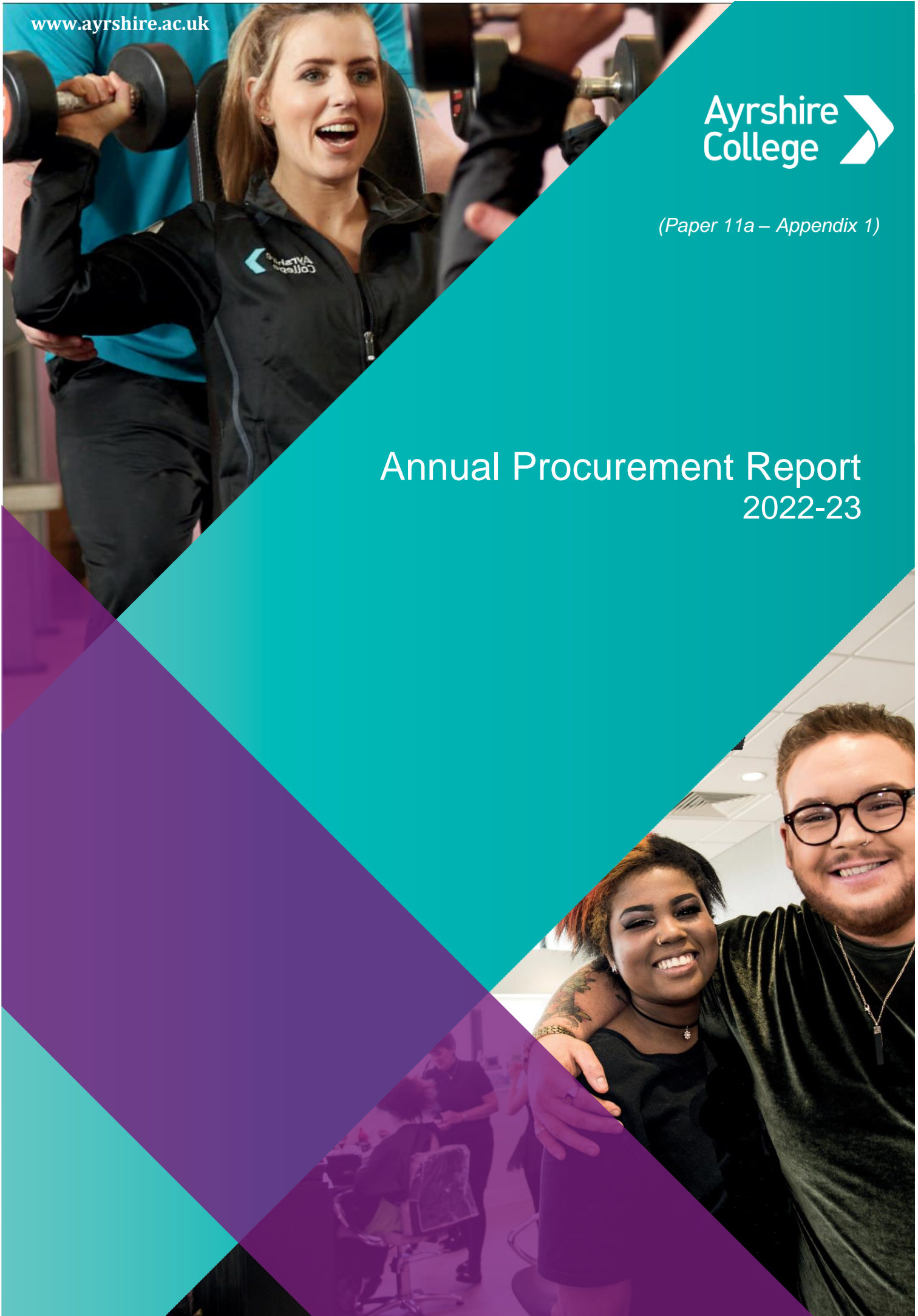
6. Sustainability

The College requires current and potential suppliers to acknowledge their compliance with the principles of the APUC Sustain Supply Chain Code of Conduct with respect to their organisation and their supply chain.

Alan Ritchie
Vice Principal Finance & Infrastructure
14 December 2023

* This paper will be published on the College website

Annual Procurement Report 2022-23



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Executive Summary

The Procurement Reform (Scotland) Act 2014 (PRA) requires any public organisation which has an estimated annual regulated¹ spend of £5 million or more to develop and implement a Procurement Strategy and then review it annually. Organisations (including HE and FE colleges) must also publish an Annual Procurement Report describing the procurement activities conducted during the same period as the Procurement Strategy update.

This is the fifth Annual Procurement Report (APR) published by Ayrshire College. It covers the period of 1 August 2022 to 31 July 2023 and summaries how the College has performed in its procurement activities and on delivery of its [Procurement Strategy](#) and in helping achieve the goal of Ayrshire College being:

“A place where businesses and communities can access skills, expertise and innovation that supports local and national economic development and inclusive growth.”²

In terms of community benefits being realised from contracts, the investment in the new Willie Mackie Skills Hub in Kilwinning, the works contract which was awarded in 2021-22, will be fundamental to the delivery of a first-class learning experience in Ayrshire with the building contractor Ashleigh (Scotland) Ltd has been fully on board with our vision of having students involved throughout the project and has engaged with curriculum to create learning opportunities across all the trades involved. Section 3 provides more details on community benefits delivered by the College.

The process of review and reporting advises what adjustments to the Procurement Strategy are necessary to secure future performance improvements and to enable the College to respond to local, national and global economic, political, social, and financial pressures. The review will take account of the College’s key strategic objectives to 2024 as detailed in [Ayrshire College Statement of Ambition 2030](#) that will support economic and social recovery and contribute to achieving Ayrshire College’s ambitions.

Ayrshire College has analysed its non-pay expenditure and has identified that over the period covered by this report the following expenditure has occurred:

	2022-23		2021-22	
	Number of contracts	Total Value	Number of contracts	Total Value
<u>GPA³ regulated procurements</u> -goods and services worth more than £189,330; works worth more than £4,733,252	goods & services: 1 works: 0	£247,553 £0	goods & services: 4 works: 0	£1,029,360 £0
<u>Lower value regulated procurements</u> -goods and services worth more than £50,000; works worth more than £2 million	goods & services: 10 works: 0	£806,075 £0	goods & services: 5 works: 1	£657,197 £2,038,065

Information on the regulated procurements, sorted into procurement categories, is provided in sections 1 and 2 and additional detailed information is also reported in Appendix 1 of this report.

Ayrshire College’s total non-salary expenditure for 2022-23 was **£13,780,040** (ex VAT). This is up **4%** on 2020-21. The rise in spend is due the works and kitting out of the new skills hub at the Kilwinning campus. Of this the core procurement expenditure, excluding NPD/PFI repayments, was **£7,436,313** with **£5,645,043 (76%)** of regulated expenditure (recorded on the Contracts Register) and **£1,791,270 (24%)** of non-regulated spend.

¹ Regulated procurements are those with an estimated value equal to or greater than £50,000 (≥ £12,500 per annum over a four-year contract period excluding VAT) for goods & services or £2,000,000 excluding VAT for a public works contract.

² [Ayrshire College’s Statement of Ambition 2030](#)

³ Public contracts thresholds are revised every 2 years – next due on 01 /01/2024.

Of the College's **£5,6454,043** regulated procurement spend ex works, **£2,563,547 (45%)** went through collaborative Category A, B and C1 contracts and agreements with spend up **19%** on 2021-22.

Ayrshire College had **1,284** active suppliers (2021-22: **1,146**) on its purchase ledger and did business with **721** companies (2021-22: 681) in the reporting period 2022-23. There were **9,397** invoices processed during the year, comparable to 2021-22 with **97%** of them being paid within the payment period. Those paid out with the terms was because of queries over price and or delivery details and did not result in any late payment notices.

Ayrshire College is committed to supporting Ayrshire businesses and recognises that by spending with local businesses our requirements for goods and services can enhance lives and bring social benefits beyond the actual amount spent. For this reason, engaging with and buying from local suppliers, wherever possible, remains a key element of our Procurement Strategy due to the economic, social and environmental benefits it brings. During 2022-23, **281** of the College's suppliers (**22%**) were based in Ayrshire, down from **23%** in 2021-22 with **52%** of all suppliers based in Scotland (**53%** in 2021-22). The College did business with **537** SMEs and **68%** of the total spend, up **10%** on the previous year. This increase was driven by the new skills hub build contractor giving **70%** of the available contracts to SME sub-contractors.

This report comprises five sections which cover mandatory reporting:

- Section 1: Summary of Regulated Procurements Completed
- Section 2: Review of Regulated Procurement Compliance
- Section 3: Community Benefit Summary
- Section 4: Supported Businesses Summary
- Section 5: Future Regulated Procurements Summary

This report has been produced by the Head of Procurement and approved by Ayrshire College's Board of Management on 14 December 2023.

Signed:
Angela Cox

Position: Principal and Chief Executive

Section 1: Summary of Regulated Procurements Completed

Ayrshire College works to ensure that all its procurements are conducted in an open and inclusive manner.

Full details of regulated procurements completed during the reporting period are set out in **Appendix 1**. That information, coupled with the publication of [Ayrshire College Contracts Register](#) and the systematic use of Public Contracts Scotland and Quick Quotes, assists in providing visibility of the College's procurement activity over the reporting period.

In **Appendix 1** the information is set out to show regulated procurements completed and any Agreement on Government Procurement (GPA) regulated procurements completed. These are separated into contract categories and distinguish collaborative contracts from College contracts. For each completed regulated procurement the information provided shows:

- the date of award
- the start date
- the category subject matter
- the name of the supplier
- the status of the supplier, i.e. SME, supported business etc.
- estimated total value of the contract over contract period
- collaborative or College owned
- the end date provided for in the contract or a description of the circumstances in which the contract will end

Section 2: Review of Regulated Procurement Compliance

Where appropriate, Ayrshire College has made use of national and sector collaborative contracts put in place by Scottish Public Sector Procurement and Advanced Procurement for Universities and Colleges (APUC) to deliver improved contract terms, supported contract and supplier management, sustainable procurement outcomes and the best balance of cost, quality, sustainability and best value for money.

In making its regulated procurements, every care has been taken to ensure that the College awards the business to suppliers who are capable, reliable and who can demonstrate that they meet high ethical standards and values in the conduct of their business. In the period covered by this report, the College has conducted all its regulated procurements in compliance with GPA principles of equality, non-discrimination, transparency and fairness.

Procurement activities at Ayrshire College are subject to regular, independent review. In 2019 Ayrshire College achieved a silver band score and is aiming to improve on this when re-assessed under the new Pulse Check review in 2024.

Ayrshire Colleges' procurement policy, procedures and sign off arrangements are consistent with the guidelines set out in the [Procurement Journey](#).

The following table and section states how the College is working to meet the 12 areas of the Procurement Reform Act (PRA) that institutions are required to report on, together with the College's compliance and performance regarding its Procurement Strategy objectives during 2022-23:

Procurement Strategy Objectives	Annual Report Review of Strategy Delivery/Compliance
<p>To sustain and further develop partnerships within the FE/HE sector, with other publicly funded bodies including the College's community partners, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.</p> <p>Procurement Reform Act Statement-This addresses the college's general policy on consulting and engaging with those affected by its procurements.</p>	<p>In terms of generating knowledge of supply markets, internally the UKUPC Market Insight reports issued quarterly by APUC are circulated to senior management and contract leads to help growth an understanding of supply chain issues and influences and inform procurement decisions and actions within the College.</p> <p>Service delivery innovation (SDI) is the process of creating new or improved ways of delivering services to customers, stakeholders, or beneficiaries and the College continues to contribute to sector contracting plans, providing feedback via surveys on frameworks both national and sector when requested and this year have a College curriculum staff member on the APUC Hair and Beauty framework User Intelligence Group.</p> <p>Procurement is a shared service between the College and APUC and the Procurement Manager is part of the APUC Central and South group of colleges who share procurement information and feedback. The Procurement Manager is also a member of external groups and workstreams including the Ayrshire Community Wealth Building Procurement Workstream; the Scottish Government Head of Procurement sessions; the APUC Procurement Strategy Group for Colleges and EAUC Smaller Institutions Sustainability Meetings.</p>
<p>To work with internal curriculum budget holders, professional support service colleagues and suppliers to deliver innovation and best value to the teaching and learning, and service support communities, through the development of an effective</p>	<p>Ayrshire College's procurement procedures and activities directly follow the guidelines set out in the Scottish Procurement Journey, with the information easily accessible on the College's intranet procurement pages. On-line procurement awareness training is being developed with Human Resources as part of staff mandatory induction training.</p> <p>Discussing the forthcoming goods and service requirements of the curriculum and support sectors of the College as well as understanding the budget allocations and constraints, together with regular engagement meetings with</p>

Procurement Strategy Objectives	Annual Report Review of Strategy Delivery/Compliance
<p>and co-ordinated purchasing effort throughout the College.</p> <p>Procurement Reform Act Statement- this addresses college's general policy on consulting and engaging with those affected by its procurements; how the college intends to ensure that its regulated procurements will contribute to the carrying out of its functions and achievements of its purpose and its general policy on the use of community benefit requirements.</p>	<p>suppliers is critical in developing the correct commodity strategies to deliver value for the college.</p> <p>Procurement is proactive in supporting Ayrshire College aim to achieve its objective ⁴ <i>'of being a place where businesses and communities can access skills, expertise and innovation that supports local and national economic development and inclusive growth... through strong collaboration and partnership working'</i></p> <p>This is achieved internally by engaging with contract leads/budget holders to understand the curriculum and support services procurement requirements for the coming period and by reviewing spend to identify non-regulated purchasing and address duplicate and unwarranted purchasing, increase the benefits of aggregation and ensure procurement regulation compliance.</p>
<p>To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.</p> <p>Procurement Reform Act Statement- this addresses how the college intends to ensure that its regulated procurements will deliver value for money and</p> <p>how the college intends to ensure that its regulated procurements will contribute to the carrying out of its functions and achievements of its purpose</p>	<p>Delivering best value for money continues to be a key aim of the College's procurement function. By working with users, budget holders and other stakeholders at the start of the procurement process, procurement ensures consideration is given to the balance of quality, whole life costs and sustainability.</p> <p>Strategic contracts are then managed with the contract leads and supplier performance assessments carried out to ensure that the contract delivers the college requirements and value. A review of the continued need for the contract and the performance of the contractor is conducted before any contract is extended or re-tendered.</p> <p>Along with spend analysis at a College level, the APUC contract and supplier management tool, Hunter, is helping to identify where aggregated purchasing and collaborative opportunities can be established and APUC's Contract Uptake tool aids the review of the College's spend through collaborative frameworks and contracts. In 2022-23 Ayrshire College used collaborative contracts for £2,563,547 or 45% of its purchases which is up on 2020-21. These sector and national frameworks have delivered £158,002 of savings or 6% of Category A and B spend in 2022-23.</p>
<p>To seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners and to work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of customers and students.</p> <p>Procurement Reform Act Statement- addresses how the college intends to ensure that its regulated procurements will be carried out in compliance with its</p>	<p>The procurement function at Ayrshire College as a shared service with APUC that enables the College to access resources such as HE/FE on-line courses, in person courses and webinars organised by APUC, as well as the Scottish Government Public Procurement function and EAUC.</p> <p>Such resources are used to further develop and update procurement knowledge and capability as part of the continuous professional procurement development of the procurement staff member. They also offer the chance for networking and potential collaborative opportunities. Appropriate events and information are also shared with the relevant college manager/contract lead.</p> <p>Formal supplier management meetings are held over the life of regulated contracts with the frequency being dependent on the value and risks involved. These meetings provide an opportunity for all parties to discuss performance, provide feedback, agree contract variations, and plan for future activities. Contract management guidance, performance scorecard and meeting agenda and minute templates are employed as key tools to ensure that the College's contract leads are equipped to realise the benefits over the life of a contract.</p>

⁴ [Ayrshire College's Statement of Ambition 2030](#)

Procurement Strategy Objectives	Annual Report Review of Strategy Delivery/Compliance
<p>duty to act in a transparent and proportionate manner.</p>	
<p>To develop sound and useful procurement management information in order to measure and improve procurement, contract management and supplier performance; in support of corporate planning which is conducted through a fair and transparent process.</p> <p>Procurement Reform Act Statement- Addresses college's general policy on the procurement of fairly and ethically traded goods and services and how the college intends to ensure that its regulated procurements will be carried out in compliance with its duty to act in a transparent and proportionate manner.</p>	<p>During 2022-23 quarterly procurement update meetings were held between the Procurement Manager and Assistant Principal – to review procurement activity, progress of the improvement plan and spend with a report presented to senior management to provide information on the performance of contracts and to highlight areas which can then be addressed with the support of senior management.</p> <p>The College's procurement policy and procedures reflect the Procurement Journey and all regulated procurements are advertised on Public Contracts Scotland (PCS) and UK Find a Tender. For those procurements below the regulatory thresholds, where appropriate, the College uses PCS Quick Quotes. Where potential suppliers are not registered on PCS, these suppliers are encouraged to do so with the benefits of being registered and guidance on how to register process provided.</p> <p>The College continues to seek opportunities to encourage SMEs to participate in procurement activity. For example, the College uses PCS and PCS Quick Quotes to promote procurement activity and during the reporting period of 7 of the 11 regulated contracts awarded were to SMEs.</p> <p>The College's contract and supplier management toolkit is used in conjunction with contract leads for key contracts to measure and manage the effectiveness of the contract. Collaborating with contractors to obtain the management information allows key performance indicators to be scored and sharing the results with the contractor helps to develop the relationship between them and the college as well as facilitate where innovation and improvement might be developed within the contract.</p>
<p>To embed sound ethical, social, and environmental policies within the College's procurement function and to comply with relevant Scottish and UK legislation in performance of the sustainable procurement duty.</p> <p>Procurement Reform Act Statement- Addresses how the college must set out how it intends to ensure that its regulated procurements will be carried out in compliance with the sustainable procurement duty.</p>	<p>The College's strategic objective of responding '<i>to the climate change emergency by being environmentally responsible, embedding sustainability in our learning and teaching and business operation</i>⁵' along with its sustainable procurement duties is a driver in ensuring that, in all its regulated procurement activities the environmental, social and economic issues and impacts are considered with the College utilising tools such as whole life cycle mapping, sustainability testing and prioritisation.</p> <p>As required in the PRA, and where relevant and proportionate, the requirement for contractors to pay the Living Wage is incorporated into procurements. All contractors are encouraged to have Fair Work practices.</p> <p>APUC's Sustain Supply Chain Code of Conduct is included in all regulated procurements with suppliers being required to confirm they and their supply chains, will adhere to the Code of Conduct.</p> <p>Ayrshire College has published its own Modern Slavery Act Statement and complies with its duties under the Modern Slavery Act by seeking to only to contract with suppliers that comply with all appropriate and relevant legislation and updated annually.</p> <p>The College has tagged those key suppliers that are participating in the Ecovadis sustainability assessment scheme where environmental, labour and human rights ethics and sustainable procurement is evaluated.</p> <p>The College continues to source the majority of its fresh food requirements from AUPC and TUCO frameworks to ensure that the food is sourced from suppliers operating to the highest standards of animal welfare and it is using hot beverage ingredients sought from fair trade suppliers.</p>

⁵ [Ayrshire College's Statement of Ambition 2030](#)

Other Procurement Reform Act Statement Reporting:

In accordance with the government's policy to embed prompt payment performance in supply chains through procurement processes, the prompt settlement clause in College's conditions of contract has been updated and tenders require bidders to have systems in place so that their full supply chain is paid on time and in accordance with the terms of the contract. The College paid **97%** of its invoices within the period and those out with that timescales were delayed due to queries or disputes over evidence of delivery or price.

It was a contractual requirement for the building of the new skills hub that all sub-contractors were paid within the 30-day period and the contractor complied with this.

The College requires contractors and subcontractors to comply with the Health and Safety at Work Act 1974 (c.37) and any provision made under that Act. All contractors conducting works within the College campuses must be Site Safety in Procurement (SSIP) scheme members and submit risk assessments and method statements prior to work commencing on site.

Although the College has not awarded a contract over £4m in the reporting period it does consider what Community Benefits can be included in regulated procurements and more detail of the community benefits realised in 2022-23 is given in Section 3 of this report.

The College will always consider the Scottish Government supported business framework when sourcing relevant goods and third sector bodies and supported businesses are always considered for relevant procurement activities.

Section 3: Community Benefit Summary

In line with the Procurement Reform Act and sustainable procurement, the College's policy on identifying community benefit requirements is to consider on a case-by-case basis, the relevance and proportionality to the subject matter of the procurement. The requirement is then built into the procurement specification and into the eventual conditions of contract performance.

As part of the tendering process suppliers were invited to describe their approach to delivering community benefits or achieving social value through a contract, where relevant. Relevant community benefits included the following:

- providing training opportunities (e.g. Toolbox talks) with students and staff
- offering advice and assistance on the best practice methodology
- student work experience and employment
- apprenticeships
- local sub-contractor opportunities available to SMEs, third sector and supported businesses
- direct involvement in community-based schemes or programmes
- educational support initiatives
- to minimise environmental impacts, for example impacts associated with vehicle movements and/or associated emissions and impacts on protected areas, buildings or sites.

Community benefits realised during 2022-23 included:

- At the College's new Kilwinning campus skills hub eight students received on-site work experience across brick laying, carpentry, plumbing and electrical works. The students were selected via an interview in conjunction with College staff.

The builders, Ashleigh (Scotland) Ltd, is also a sponsor of the 2022-23 graduation celebrations and 84 staff and trades class students all got to participate in a visit to the site during the build.

In line with the contract Ashleigh reported that 70% of the work sub-contracted was to SMEs and 40% of those were Ayrshire businesses.

- Other projects included donated materials from timber supplier, to allow joinery students to use their training to delivery several community projects including buddy benches and bee hives.

Section 4: Supported Business Summary

The College reviews each procurement to determine whether it could be fulfilled by a Supported Business, whilst remaining compliant with GPA and Scottish Procurement Legislation and ensuring value for money for the College (using the only Supported Business [Register](#) currently available and published by STUC).

In 2022-23 Ayrshire College did not reserve any contracts for supported businesses. It did spend **£22,672** with Hey Girls Ltd under the period dignity programme.

Section 5: Future Regulated Procurements Summary

Ayrshire College is keen to encourage competition by promoting optimal participation in its procurement process and achieve better value for money in its procurements. One method of achieving this is to give notice to suppliers of tendering opportunities that are expected to commence over the next two budget years after the period covered by this report. The list of projected individual regulated procurement exercises is outlined in **Appendix 2**. It is expected that there will be circa **14** current contracts that will re-let or considered for extension. These **14** contracts have an estimated contract value of **£1,305,630**.

In preparing this forward projection of anticipated regulated procurements, it is difficult to be precise about the details of the actual College requirements. Over a forecast period of two years, it is very probable that circumstances and priorities will change so the list of projected individual regulated procurement exercises outlined in Appendix 2 should be viewed with this in mind.

The information provided in Appendix 2- List of Future Regulated Procurements covers:

- the subject matter of the anticipated regulated procurement
- whether it is a new, extended or re-let procurement
- the expected contract notice publication date
- expected award date
- expected start and end date
- the estimated value of the contract
- contract category A, B, C or C1.

Appendix 1: List of Regulated Procurements (Compliant and Non-Compliant) Completed in 2022-23

Compliant:

Category Subject	Supplier Name	Date of Award	Owner: Cat A/B/C or C1	Start Date	End Date	Value over contract Period ex VAT	SME status	Supported Business
Supply of Staff Compliance Course Training E- Learning & LMS Platform	C L Consortium Ltd	12/09/2022	C	03/10/2022	02/10/2024	£62,640	small	no
Supply and Support of Citrix Licences 2022	CDW Limited	13/09/2022	B	03/10/2022	02/10/2023	£105,162	medium	no
Washroom Solution for Ayrshire College	Personnel Hygiene Services Limited	01/10/2022	B	01/10/2022	30/09/2025	£62,000	large	no
Support and Maintain HR and Payroll System	MHR International UK Ltd	21/11/2022	B	21/11/2022	20/11/2027	£247,553	large	no
Ayrshire College Inter-site WAN Connectivity 2023	adEPT Technology Group Plc	15/03/2023	B	26/04/2023	25/04/2026	£168,308	large	no
Digital Transformation Consultancy	Lion & Gazelle Ltd	15/05/2023	C	15/05/2023	14/11/2023	£57,600	micro	no
Foundation Students Transport Services 2023	Ayr Citadel Taxis; B&G Contracts Ltd; Hurlford Radio Cars Ltd; Sam Prow Taxis	22/05/2023	C	06/06/2023	05/04/2024	£55,000	small	no
Catering Equipment Maintenance & Repair	React Catering Services Limited	12/06/2023	B	12/06/2023	11/06/2025	£50,000	small	no
ICT Cabling Installation in Ayr and Kilwinning Campuses	ACI Integrated Solutions	21/07/2023	C	31/07/2023	30/01/2024	£59,560	medium	no
Tail End Spend with Amazon	Amazon	12/10/2022	B	12/10/2022	31/01/2026	£75,000	large	no
Hair and Beauty 2023	College Kits Direct Ltd	11/07/2023	B	01/08/2023	31/07/2024	£110,805	small	no

Non-Compliant: None

Appendix 2: List of Regulated Procurements planned to commence in next two Financial Years, 2023/24 & 2024/25

Category Subject	Owner: Cat A/B/C or C1?	New, extended or re-let procurement	Expected contract notice publication date	Expected Date of Award	Expected Start Date	Expected End Date	Estimated Value over contract period
Citrix Licence Support and Maintenance	A	Re-let	15/09/2023	26/09/2023	01/10/2023	02/10/2024	£87,000.00
Student Psychological Assessments	C	Re-let	04/09/2023	22/10/2023	02/11/2023	01/11/2026	£67,200.00
Supply of Fresh Fruit and Vegetables	B	new	02/10/2023	23/10/2023	01/11/2023	31/10/2025	£52,000.00
ICT Back-up (VEEAM)	B	Re-let	04/09/2023	15/09/2023	01/10/2023	30/09/2024	£60,000.00
Support and Maintenance Software System		Re-let	13/11/2023	10/02/2024	01/03/2024	28/02/2025	£60,000.00
Supply of Biomass Pellets	C	Re-let	04/12/2023	10/03/2024	04/04/2024	03/04/2027	£210,000.00
Training Management Software	C	Re-let	04/12/2023	13/02/2024	04/03/2024	03/03/2026	£53,280.00
Associate Trainers DPS	C	Re-let	22/01/2024	11/06/2024	01/07/2024	30/06/2027	£120,000.00
ACES Student PPE Clothing	B	Re-let	01/02/2024	04/05/2024	24/05/2024	23/05/2026	£73,500.00
Hospitality Students Clothing and Kits	B	Re-let	18/03/2024	12/07/2024	01/08/2024	31/07/2026	£85,000.00
Kitchen and Ventilation System Deep Cleaning Service	B	Re-let	30/05/2024	10/08/2024	30/08/2024	29/08/2027	£75,000.00
Mobile Telephony Service	A	Re-let	31/10/2024	28/12/2023	17/01/2024	16/01/2027	£50,000.00
Student Records System	B	Re-let	13/06/2025	15/07/2025	04/08/2025	03/08/2028	£250,000.00
Staff Compliance Course E-Learning Platform	B	Re-let	01/07/2025	13/09/2025	03/10/2025	02/10/2027	£62,650.00

Glossary of Terms

A, B, C and C1 Contracts (Who buys what?)

Category A	Collaborative Contracts available to all public bodies <ul style="list-style-type: none"> • Scottish Procurement
Category B	Collaborative Contracts available to public bodies within a specific sector <ul style="list-style-type: none"> • Scottish Procurement • APUC • Scotland Excel • NHS National Procurement
Category C	Local Contracts for use by individual public bodies
Category C1	Local or regional collaborations between public bodies

APUC- Advanced Procurement for Universities and Colleges (APUC Ltd Reg. No. SC314764)

APUC's Sustain Supply Code of Conduct - APUC and its client community of colleges and universities is committed to carrying out procurement activities in an environmentally, socially, ethically and economically responsible manner and to entering into agreements and contracts with suppliers that share and adhere to its vision. To demonstrate this commitment, current and potential suppliers are asked to acknowledge their compliance with the principles of the APUC Sustain Supply Chain Code of Conduct with respect to their organisation and their supply chain.

BT14 – Sustainability Based Benefits - sustainability benefits where costs are not normally relevant can be reported but will normally be described in narrative including but not limited to the following areas:

- Reduction in waste – packaging and / or further use of residue from processes etc.
- Reduction in consumption - use of raw materials (consumables, utilities etc.)
- Recycling and/or reuse of products
- Enhanced Reputation and/or marketing opportunities
- Community Benefits delivery
- Carbon Reduction
- Social, equality and / or environmental improvements

Category Subject is a collection of commodities or services sourced from the same or similar supply base, which meet a similar consumer need, or which are inter-related or substitutable.

Community Benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social- economic and or environmental. Benefits. Community Benefits clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of college contracts.

Contracts Registers these typically provide details of the procurement exercise to capture key information about the **contract** (the goods and services, values, date started, expiry date, procurement category etc.).

Cost Avoidance The act of eliminating costs or preventing their occurrence in the first place. It tends not to show up on, but materially impacts, the bottom-line cost and is normally referred to as a “soft” cost saving i.e. negating supplier requests to increase costs, procuring services/goods/ works under budget, obtaining prices lower than the market average/median.

Contract management or contract administration is the management of contracts made with customers, suppliers, partners, or employees. Contract management activities can be divided into three areas: service delivery management; relationship management; and contract administration.

Flexible Framework Self-Assessment Tool (FFSAT) enables measurement against various aspects of sustainable procurement.

GPA is an agreement between members of the World Trade Organisation (WTO) to mutually open government procurement markets among the parties included in the agreement.

Government Procurement Agreement (GPA) Procurement Thresholds The Thresholds as set out by the World Trade Organisation. The present thresholds are (net of VAT): - for Supply, Services and Design Contracts, £189,330, for Works Contracts £4,733,252. Public contracts (GPA) thresholds are revised every 2 years – this is next due on 01/01/2024.

Hub (Spikes Cavell) – The Scottish Procurement Information Hub is provided by Spikes Cavell as a spend analysis tool allowing organisations to:

- Identify non-pay spend on external goods and services
- Identify key suppliers and how many transactions are made with each
- Highlight common spend across suppliers and categories
- Identify spend with SMEs and/or local suppliers

This information means that individual organisations and Centres of Expertise can identify where collaborative opportunities might exist and where transactional efficiencies could be made.

For more information, visit the Scottish Government’s [Hub](#) page.

Hunter – Hunter has been developed by the eSolutions team. It is a database solution which uses standard Microsoft packages (Access and SQL Server) enabling organisations to effectively monitor and report on collaborative contracting activities.

As a solution, it is operational within the HE/FE sector in Scotland and is also being utilised by the HE consortia in England and Wales that also provide collaborative contracting services to the sector. Hunter has a multi-level structure which allows consortia to share collaborative agreements, make them visible to their member organisations, and in turn enabling them to record their own contracts.

College Dashboard – the area within the APUC Buyers Portal being developed by the APUC eSolutions team providing easy access to Colleges' key management reporting data being recorded centrally through **Hunter**. The dashboard currently hosts key regulatory procurement information on Contracts Registers, forward contracting plans, expenditure reporting and Annual Procurement Report Data. The list of reports is planned to expand to cover savings and Procurement & Commercial Improvement Programme dashboard data.

Lotting - the Public Contracts (Scotland) Regulations 2015 encourage the use of lots (regulation 47), to promote competitiveness and to facilitate the involvement of SMEs in the public procurement market, by considering the appropriateness of dividing contracts into lots to smaller contracts.

Output Specification requirements are set out in terms of what you want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers. The services detailed in the output specification should be capable of objective assessment so that the performance of the supplier can be accurately monitored.

Prioritisation - the Sustainable Public Procurement Prioritisation Tool which is a tool to aid all procuring organisations across the Scottish Public Sector designed to bring a standard structured approach to the assessment of spend categories.

Procurement Journey is public procurement toolkit with guidance and templates on the procurement process to facilitate a standardised approach to the market and contract and supplier management.

Procurement & Commercial Improvement Programme replaced the previous Procurement Capability Assessment (PCA) and focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver.

PCS-Tender is the national eTendering system and is centrally funded by the Scottish Government. The system is a secure and efficient means for buyers and suppliers to manage tender exercises online. The standard templates enable buyers to create consistent tender documentation.

Segmentation the division and grouping of suppliers or contracts in relation to spend and its criticality to business.

Small and Medium Sized Enterprises (SMEs) encompass –

Micro enterprises: enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed £1.57 million.

Small enterprises: enterprises which employ fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed £7.86 million.

Medium enterprises: enterprises which are neither micro nor small, which employ fewer than 250 persons and which have an annual turnover not exceeding £39.28 million, and/or an annual balance sheet total not exceeding £33.78 million.

Social Enterprises are revenue-generating businesses with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.

Supply Chain encompasses all activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.

Supply Chain Management Programme (Sustain) is the APUC supply chain sustainability web portal, a central hub where sector suppliers can complete and store sustainability compliance data. The portal is the core supply chain sustainability tool supporting HE and FE Colleges and their suppliers in delivering a transparent, environmentally positive, ethical and socially responsible supply chain.

Supported business means an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.

Supported employment programme means an employment programme operated by an economic operator, the main aim of which is the social and professional integration of disabled or disadvantaged persons, and where at least 30% of those engaged in the programme are disabled or disadvantaged persons.

Sustainable Procurement A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not only for the organisation but also to society, the economy and the environment.

Third-Party Expenditure is calculated based upon the total value of invoices paid per annum, excluding VAT, to all suppliers for the purchase of goods and services. It is defined as including:

- Goods – tangible products such as stationery, which are often also known as supplies.
- Services – provision of an intangible product such as refuse collection, elderly home care, whether carried out internally or externally.
- Works – including construction works and utilities, i.e. energy costs.

It excludes employee costs, non-cash expenditure (e.g. depreciation), grants, trust payments and other non-controllable payments to other publicly funded bodies but should include spending on agency staff, capital expenditure and programme spend on commodities and services.

[NOTE: reference to contract is also to be construed as meaning a Framework Agreement]

<u>1. Organisation and report details</u>	
a) Contracting College Name	Ayrshire College
b) Period of the annual procurement report	01/08/22 to 31/07/23
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
<u>2. Summary of Regulated Procurements Completed</u>	
a) Total number of regulated contracts awarded within the report period	11
b) Total value of regulated contracts awarded within the report period	£1,053,628
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	10
i) how many of these unique suppliers are SMEs	4
ii) how many of these unique suppliers how many are Third sector bodies	0
<u>3. Review of Regulated Procurements Compliance</u>	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	11
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
<u>4. Community Benefit Requirements Summary</u>	
Use of Community Benefit Requirements in Procurement:	
a) Total number of regulated contracts awarded with a value of £4 million or greater.	0
b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	0
c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	3

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (<i>Each contracting college sets its own priority groups</i>)	0
e) Number of Apprenticeships Filled by Priority Groups	0
f) Number of Work Placements for Priority Groups	8
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	£1,344,233
i) Total Value of contracts sub-contracted to Social Enterprises	0
j) Total Value of contracts sub-contracted to Supported Businesses	0
k) Other community benefit(s) fulfilled	0

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	0
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	5
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	2
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	0

6. Payment performance

a) Number of valid invoices received during the reporting period.	9,397
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	97%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	11
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0

7. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	£22,612
i) spend within the reporting year on regulated contracts	£22,612
ii) spend within the reporting year on non-regulated contracts	£0

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£5,645,043
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£5,256,140
c) Total procurement spend with Third sector bodies during the period covered by the report.	£0
d) Percentage of total procurement spend through collaborative contracts.	45%
e) Total targeted cash savings for the period covered by the annual procurement report	Target not set
i) targeted cash savings for Cat A contracts	Target not set
ii) targeted cash savings for Cat B contracts	Target not set
iii) targeted cash savings for Cat C contracts	Target not set
f) Total delivered cash savings for the period covered by the annual procurement report	£159,387
i) delivered cash savings for Cat A contracts	£25,298
ii) delivered cash savings for Cat B contracts	£132,704
iii) delivered cash savings for Cat C contracts	£1,385
g) Total non-cash savings value for the period covered by the annual procurement report	£302,062

9. Future regulated procurements

a) Total number of regulated procurements expected to commence in the next two financial years	14
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£1,305,630

Ayrshire
College 



Ayrshire College Board of Management

Responsibilities and Standing Orders

Date of first issue:	12 August 2013
Revision number:	12
Date of approval by the Board of Management:	14 December 2023
Responsibility for Review:	Chair of Board of Management/Board Governance Professional
Date of last review:	14 December 2022
Date of next review:	December 2024

Record of Review December 2023

- Section 2: Inclusion of 2 Trade Union Staff Board Members
- Section 3: Updates to Board & Committee Terms of Reference
- Section 7: Updates to Board Members' Terms and Conditions & Letter of Appointment for Trade Union Staff members

Date of next review: December 2024

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Section 1: Primary Responsibilities of the Board of Management

1.1 Mission and Strategic Vision of the College

The Board of Management of Ayrshire College (the “Board”) shall ensure that Ayrshire College (the “College”) provides the best possible education and learning environment for its students.

The Board shall approve the mission and strategic vision of the College, including institutional and longer-term learning and teaching plans, the Outcome Agreement with the Scottish Funding Council, business plans, annual budgeting and annual accounts, key performance indicators, and ensure that the College meets the interests of all stakeholders, including students, staff, employers, Community Planning Partners, other key stakeholders, local communities and funding bodies.

The Board shall safeguard the good name and values of the College.

The Board shall promote further and higher education in Ayrshire to contribute to sustainable economic growth and to meet the needs of the learners and the employers of the region.

1.2 Appointment of and Delegation to the Principal

The Board shall appoint the Principal as Chief Executive of the College and shall put in place suitable arrangements for monitoring his/her performance. In undertaking the recruitment of a Principal, the Board is responsible for ensuring that processes are in place which are designed to ensure students and staff will have an opportunity to contribute to the recruitment process.

The Board shall delegate to the Principal, as Chief Executive, operational responsibility for the running of the College, including authority for the learning and teaching, corporate, financial, estate and human resource management of the College, and shall establish and monitor such management functions as shall be undertaken by and under the authority of the Principal.

1.3 Statutory and Regulatory Responsibilities

The Board shall be the College's legal authority and, as such, shall ensure that systems are in place for meeting the College's legal obligations, including those arising from contracts, other legal commitments made in the College's name and all statutory provision.

The College is a Registered Charity and as such all Board Members are charity trustees under the terms of the ***Charity Trustees and Investment (Scotland) Act 2005***. Further information may be found at: www.oscr.org.uk/charities/managing-your-charity/trustee-duties

The Board shall ensure that its Responsibilities and Standing Orders are followed and that appropriate advice is available to enable this to happen.

The Board shall maintain an “arm’s length” relationship with the Ayrshire College Foundation as determined by the Treasury rules governing such relationships and by statutory requirements, including the ***Charity Trustees and Investment (Scotland) Act 2005***.

The Board shall act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the College, except where such resource lies within the governance of the Ayrshire College Foundation.

The Board shall be the employer of all staff of the College.

The Board shall ensure that the College complies with statutory, contractual and other duties placed on it through the National Bargaining Process and the National Recognition and Procedures Agreement (NRPA) to which it is a signatory.

The Board shall ensure that the College operates ethically, responsibly and with respect for the environment and for society.

The Board shall seek to reflect in its membership the diversity of the regional community, by providing the maximum opportunity to all with the potential to make a positive contribution to the Work of the Board and by removing any potential barriers.

The Board shall ensure that it maintains an appropriate balance of knowledge, skills, attributes and experience amongst its membership in order to meet its primary responsibilities and maximise its effectiveness.

1.4 Supervision and Accountability of the College

The Board shall be the financial and business authority of the College and shall ensure statutory responsibilities are adhered to, including the maintenance of proper financial statements; the approval of the annual budget and financial statements; and having overall responsibility for decisions in relation to the assets, property and estate of the College and how they are used.

The Board shall ensure that clear procedures are in place for the management, health and wellbeing of employees of the College.

The Board shall ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls; systems in respect of risk assessment and management; clear procedures for handling internal grievances; clear procedures for managing conflicts of interest; and clear procedures for public interest disclosure, etc, all so as to ensure sustainability of the College and safeguard its assets.

The Board shall ensure that processes are in place to monitor and evaluate the performance and effectiveness of the College against approved plans and

key performance indicators, which should be benchmarked against other comparable institutions, wherever possible.

The Board shall ensure in consultation with the Students' Association that arrangements are in place to ensure the proper management of the health, safety, wellbeing and security of students, including meeting all statutory requirements.

The Board shall ensure that processes are in place to annually monitor and evaluate its own performance and to put into place rolling action plans against which future performance may be measured.

The Board shall ensure that processes are in place for evaluating the effectiveness of its individual members. This process will be led by the Chair.

The Board shall ensure that a process is in place for evaluating the effectiveness of the Chair. This process will normally be led by the Vice-Chair.

Section 2: Standing Orders – Board of Management

- 2.1 The purpose of these Standing Orders is to ensure the orderly and effective conduct of the meetings of the Board of Management and of Committees of the Board. They shall apply to all meetings of the Board and its Committees and shall, subject to a resolution by the Board or Committee for their temporary suspension, remain in force unless and until they are varied or revoked as hereinafter provided.

It is not the intention that these Standing Orders will ever be used to subvert the will of Parliament or reinstate within the Standing Orders repealed legislative provision.

The Standing Orders were adopted by the Board on 14 December 2017. They replace all other Standing Orders previously adopted by the Board, which are hereby revoked.

2.2 Introduction

The Board of Management of Ayrshire College is established under the terms of the Statutory Provisions contained within:

Further and Higher Education (Scotland) Act 1992 (Schedule 2);

The Further and Higher Education (Scotland) Act 2005 (Schedule 2B);

The Post-16 Education (Scotland) Act 2013 (Schedule 2).

Ayrshire College is a charity registered in Scotland under the terms of the ***Charities and Trustee Investment (Scotland) Act 2005*** with registered number SC021177.

Statutory provisions may from time to time be amended by Government and at all time these Standing Orders will be governed by the extant statutory provision.

These Standing Orders set out the Board's practice on those issues that it has powers to determine.

The Standing Orders also address the arrangements for the reporting of members' interests and the responsibilities and duties of board members.

At all times the Standing Orders will be compliant with Code of Good Governance for Scotland's Colleges and the statutory provisions that determine the governance of the Board.

The Standing Orders to be read in conjunction with the following:

- The Statutory Provisions as defined above and from time to time amended.

- **The Equality Act 2010 (specific duties) (Scotland) Regulations 2012 (as amended)**
- **The Charities and Trustees Investment (Scotland) Act 2005 (Section 66)**
- **The *Ethical Standards in Public Life etc (Scotland) Act 2000*;**
- The Code of Good Governance for Scotland's Colleges
- the Financial Regulations, including the Financial Memorandum and the Scottish Public Finance Manual; and
- The Board of Management Code of Conduct, as set out in Section 5 below.

2.3 Interpretation

In this document the following definitions shall apply:

- "Board" means the Board of Management of Ayrshire College;
- "Chair" means Chairing Member appointed by Scottish Ministers;
- "Vice Chair" means the person appointed by the Board to deputise in the absence of the Chair;
- "Board Member" means a member of the Board;
- "Non-Executive Board Member" is a non-elected Board member appointed by the Board from the community through the processes conducted by the Search and Nomination Committee and as approved by Scottish Ministers.
- "Senior Independent Member" (SIM) means a "non-executive" board member appointed by the Board for the purposes of providing a sounding board for the Chair and to serve as an intermediary for the Principal, Board Governance Professional and other members as appropriate.
- "College" means Ayrshire College;
- "Committee" means any of the committees referred to in this document and any other committee established by the Board from time to time and the terms "Committees" and "Committee Member" shall be construed accordingly;
- "Financial Memorandum" means the financial memorandum of the College as amended from time to time;

- “SFC” or “Funding Body” means The Scottish Further and Higher Education Funding Council or any other body which takes over or adopts its functions and obligations; and
- “Statement of Primary Responsibilities” means the statement of primary responsibilities of the Board, as amended from time to time.

In the event of a dispute as to the interpretation of any part of the College Standing Orders, the ruling of the Chair shall be final. In all instances, the content of the Statutory Provisions and the Code of Good Governance for Scotland’s Colleges, as appropriate, shall be determinant.

2.4 Purpose and Powers

The whole Board is collectively responsible and accountable for all Board decisions. Board members must always make decisions in the best interests of the College as a whole rather than selectively or in the interests of a particular group.

The Board of Management shall have the duty to:

- manage and conduct the business of the College in accordance with the Statutory Provisions and the terms of the Statement of Primary Responsibilities; and
- ensure that the College provides relevant, high quality and efficient learning opportunities to students at the College.

The Board has the responsibility for the appointment of the College Principal, and for the conduct of any disciplinary or other action taken against the Principal as the result of an allegation of misconduct or the investigation of a grievance.

The Board has powers as defined, and from time to time amended, by Statutory Provision. These powers may be viewed by consulting the currently extant Statutory Provisions.

The Board shall provide public benefit in Ayrshire and elsewhere as determined by Statutory Provision

The Board may pay to Board Members such reasonable expenses as they may determine, subject to any criteria issued from time to time by the Scottish Funding Council.

The Board may be given direction of a general or a specific character by the Scottish Government or the Scottish Funding Council (or its equivalent) with regard to the discharge of its functions, and it is the duty of the Board to comply with any directions given. For the avoidance of doubt, this duty applies only where the Scottish Government or the Scottish Funding Council (or its

equivalent) has a statutory power and/or prescribed authority to direct the Board.

The Board has a duty to keep proper accounts, which shall be prepared and audited as required by the Scottish Funding Council and the Financial Regulations.

Subject to the responsibilities of the Board, the Principal is responsible for the executive management of the College, including its financial management, internal organisation and discipline.

2.5 Membership

The Board Membership shall reflect that constituted within the statutory provision. As currently constituted and set out in the Board Terms of Reference, the Board shall consist of not less than 15 or more than **18- 20** persons, being made up of a Chair appointed by Scottish Ministers, the Principal (ex-officio), elected members and up to 12 non-executive members.

In seeking applications for and appointing its non-executive membership, the Board will take full cognisance of the diversity and demography of the Ayrshire region and equal opportunity requirements and will seek to reflect this in its appointments.

When making non-executive appointments the Board will take full account of any guidance produced by the Scottish Government and/or SFC and any requirements contained within statutory instruments.

The Board shall appoint a Board Governance Professional to the Board of Management who will be responsible for the administration of the Board.

Arrangements for any elections to the Board shall be delegated to the Board Governance Professional (see section 7 below), **with the exception of the election of Trade Union Staff members where an agreed process is in place that the Unions will be responsible for .**

Board Members (except the Principal) may resign at any time, by giving notice in writing to the Chair.

Board Members who are members of staff (including the **Principal & Union representatives**) or students of the College cease to be Board Members if they cease to be staff or students of the College.

Upon the vacancy or expected vacancy amongst the Board Members (not staff, **Union** or student representatives) it is for the Board to select and appoint a person to fill the vacancy. A Search and Nomination Committee shall determine procedures for filling a vacancy. The Search and Nomination Committee will include an appropriate external member, who has no connection with the Board or the College and whose appointment will be approved by the Board.

A person nominated to fill a vacancy may attend Board meetings prior to the resignation of the Board Member they are replacing, and may speak at meetings, but not take part in any vote on a Board item.

Without prejudice to the rights of any Committee to co-opt members from time to time, the Board may from time to time co-opt persons to any Committee and may at any time revoke such co-option. Any person co-opted to any Committee (a "Co-optee") may attend any meeting of that Committee and take part in that Committee's discussions. Co-optees may not chair any Committee, nor may they vote in any decisions determined by a vote of any Committee, but they shall in all other respects have equivalent status to Committee Members.

2.6 Board Members Period of Office

A member of the Board (other than the Principal or Student Representatives) shall hold office for a period of up to 4 years.

Board Members appointed to replace a Board Member who has resigned or been removed from office shall serve until the expiry of the term of office of the person who they were appointed to replace.

Board Members must be over the age of 16 at the time of their appointment.

At the expiry of a Board Member's period of appointment, they may be considered, on one occasion only, for a period of re-appointment of up to 4 years. In considering a re-appointment, it is the responsibility of the Board to consider whether its needs will be most effectively met by extending an appointment or by making a new appointment.

An appointment may be extended (for one single period) only if:

- a) the Board Member has performed satisfactorily, with evidence of regular assessments of performance to evidence this;
- b) the Board Member's skills, knowledge, attributes and experience remain relevant to the anticipated future needs of the Board.

Where a Board Member does not have their period of appointment extended or where they have served for two periods of appointment including an extension, they may re-apply for appointment through the normal Board Member recruitment process.

Board Members who have been absent without reasonable excuse from the Board for more than 6 months may, by resolution of the Board and notice in writing from the Chair, be removed from the Board. In addition, Board Members may also be dismissed for reasons other than poor attendance, as set out in their Letter of Appointment and Terms and Conditions of Service.

No Board Member may act as such unless and until:

- the Board's recommendation for appointment has been approved by Scottish Ministers: and
- they have completed the Protection of Vulnerable Groups scheme (PVG) clearance.

Board Members shall at all times comply with:

- any duties imposed on Board Members in their capacity as charity trustees pursuant to **section 66 of the Charities and Trustee Investment (Scotland) Act 2005**;
- any other legislation and/or statutory or regulatory guidance applicable to the College from time to time; and
- the terms of the Board of Management Code of Conduct (as set out in Section 5 below).

2.7 Appointment of Chair, Vice Chair and Senior Independent Member

The Chair (Chairing Member) will be appointed by the Scottish Ministers. The Chair is responsible for Leadership of the Board and ensuring its effectiveness in all aspects of its role.

The Board shall appoint one of its non-executive members to be Vice Chair of the Board of Management. When deputising for the Chair, the Vice Chair shall have the authority the Chair would have under these Standing Orders.

The period of appointment of the Vice Chair shall normally be until the end of their current period of appointment as a Board Member.

If both the Chair and Vice Chair are absent from any meeting of the Board then the Board Members present shall choose one of their numbers to act as Chair for the meeting.

The Board shall appoint a Senior Independent Member (SIM) from its non-executive membership whose role it will be to provide a sounding board for the Chair and to serve as an intermediary for the other Board Members and the Board Governance Professional when necessary. The Senior Independent Member should also be available where contact through the normal channels of Chair, Principal or Board Governance Professional has failed to resolve an issue or for where such contact is inappropriate.

The period of appointment of the SIM shall normally be until the end of their current period of appointment as a Board Member.

The Chair may at any time by giving notice in writing to the Scottish Ministers resign their office as a member.

In the event of the Chair resigning their office, the Vice Chair will assume the role of acting Chair until the Scottish Ministers appoint a new Chairing Member.

The Vice Chair may at any time by notice in writing to the Board Governance Professional to the Board of Management, resign their office.

The SIM may at any time by notice in writing to the Board Governance Professional to resign their office.

At the first meeting following the expiry of their term of office, or following their resignation, the Board shall, appoint a new Vice Chair or a SIM from amongst their number. In the event of more than one nomination being received for the position, an election for appointment to the role shall immediately be arranged by the Board Governance Professional.

The Vice Chair or the SIM retiring at the end of their term of office will be eligible for re-nomination if they are reappointed to the Board.

When the Chair, the Vice Chair or the SIM cease to be a member of the Board, they shall no longer hold any office of the Board.

2.8 Proceedings

Paragraph 11 of Schedule 2 to the Further and Higher Education (Scotland) Act 1992 "Schedule 2", a Board may regulate its own proceedings and those of any Committee appointed by it.

The Board shall make publically available on the college website for anyone who wishes to inspect them, copies of the following documents:

- the agenda for any meeting of the Board or any Board Committee;
- the confirmed minutes of such meeting as agreed by the Board or, as the case may be, the Committee.
- The papers considered at any Board or Committee meeting.

The above shall not apply to any document or part thereof which relates to:

- an employee, former employee or applicant for employment at the College;
- a person who is, or has been, or is likely to be a student at the College;
- any information, the disclosure of which is prohibited by anything in any enactment or rule of law; or
- any information that the Board believes should be treated as confidential because of its commercial nature or otherwise.

2.9 Meetings of the Board and Committees

The Board shall hold as many Board and Committee meetings as may be necessary for the performance of its functions and at such times, places and frequency as the Board determines.

The Board Governance Professional shall produce an annual programme of meetings that shall be presented to the Board for approval.

Extraordinary meetings of the Board and Committees may be called on the instructions of the Chair or by agreement by a majority of the members entitled to vote at such a meeting.

Board and Committee meetings shall be called giving no less than five working days' notice. Where extraordinary meetings are called and, exceptionally, due to the urgency of the business five working days' notice cannot be given, notice will be given as soon as is reasonably practicable and giving no less than two working days' notice.

Board and Committee meetings shall normally be held round table at a previously designated location with members attending in person. Where appropriate and necessary for the conduct of business, meetings may be held virtually with all or some members attending and contributing virtually by means of remote communication.

2.10 Committees of the Board of Management

The Board shall appoint such Committees as it considers necessary.

The Chair of the Board and the Principal may attend any meetings of any Committee (other than the Audit and Risk Committee, which they may only attend by invitation) but may not vote unless they are members of the Committee.

Committees may include persons who are not Board Members, but such persons will not be entitled to vote at meetings of the Committee.

The arrangements for the conduct of Board meetings shall also apply to its Committees.

The Board, unless resolved otherwise, will establish, as a minimum, the following Committees:

- Learning, Teaching and Quality Committee.
- Business, Resources and Infrastructure Committee.
- Audit and Risk Committee.
- Performance Review and Remuneration Committee; and
- Search and Nomination Committee.

Committees, in consultation with the Board, shall determine the frequency and dates of their meetings.

Committees shall determine or advise the Board on any matters which the Board remits to them.

The appointed internal auditors and external auditors of the College shall receive as a matter of course all papers including agendas and minutes presented to the Board of Management and any of its Committees. The internal auditor and external auditor shall have a right to attend any such meetings.

2.11 Quorum and Voting Rights

The quorum for a meeting of the Board or Committee shall be no less than one half of the members entitled to vote at such a meeting.

If a meeting does not have a quorum of members present 15 minutes after its scheduled start time or falls below having a quorum of members present part way through, the Chair must either adjourn the meeting to a new date and time, or proceed with the agenda, ensuring that any decisions are taken by members at the next meeting of the Committee or Board, whichever is the sooner.

A question on which a vote is required shall be determined by a majority of votes of the members of the Board present and voting on the question and, in the case of an equal division of votes, the Chair of the meeting shall have a second or casting vote.

Only matters identified on the agenda as requiring a decision shall, if consensus is not possible, be decided by vote.

In exceptional circumstances, such as for matters requiring urgent attention, and when the approval of the Board or Committee is required, decisions can be taken, with the prior agreement of the Chair, by written procedure. That is, decisions can be taken without calling a physical meeting of the Board or Committee. In such circumstances for a decision to be deemed to be taken:

- The Board Governance Professional shall email all Board members outlining the decision required, together with relevant briefing information.
- A quorum, as defined in 2.1 of these Standing Orders, must have replied to the email.
- The Board Governance Professional shall ensure that a deadline for response is clearly specified, and Board members shall endeavour to respond within that timeframe.
- Any decisions taken in this way shall be homologated at the next relevant meeting of the Board or Committee.

Where a proposal is amended, voting will take place on the amendment against the proposal, or the series of amendments, in the order of the last amendment first, until a single amendment is put against the proposal. Thereafter, voting will take place upon the proposal amended. All members have a single vote.

No one shall be entitled to record their dissent from any decision, except at the meeting at which it has been passed; but any member not present may at the next meeting have their dissent recorded.

No proposal nor any amendment to any such proposal shall be moved if it involves a reconsideration of any question or proposal that has been decided or adopted by the Board at any time within the preceding six months unless:

- it is moved by the Chair
- in addition to being signed by the mover, it is signed by at least one third of the total members of the Board.

2.12 Attendance at Board and Committee Meetings

The Board Governance Professional shall have oversight of all Board and Committee meetings to ensure meetings are conducted in accordance with legislation, terms and conditions of grant (including in relation to its Financial Memorandum, the Scottish Public Finance Manual, the Code of Good Governance for Scotland's Colleges), the Board's Scheme of Delegation and these Standing Orders, and in order to ensure a record is kept of proceedings.

It shall be a matter for the Board or Committee to determine which College employees (with the exception of the staff **and Trade Union** Board Members who shall be invited to attend all meetings of the Board and Committees they are a member of) or other individuals should be invited to attend any Board or Committee meeting or any part of it in an advisory capacity in order to ensure that the Board or Committee has the required advice to fulfil its functions. Where invited to do so by the Chair at the meeting, these employees or individuals may contribute to the discussion, but may not vote.

Where circumstances dictate, and/or it is deemed by the Board/Committee to be appropriate, attendance and contribution at a meeting by members may be undertaken virtually and by remote communication. In addition, where circumstances dictate and/or it is deemed to be appropriate, entire meetings may be wholly conducted virtually with all members attending and contributing to the meeting by virtue of remote communication.

The Board may decide to meet privately without the Principal or any Senior Management Team members being present. In these circumstances, the Board Governance Professional shall be present at the meeting unless requested by the Chair to leave. Where the Board Governance Professional is requested to leave, there must be a clear and specific reason for this recorded in the minutes and the Chair shall ensure that appropriate

arrangements are made for recording the discussion and any decisions taken at the meeting in the minutes. Staff, **Trade Union** and student Board members are permitted to attend such meetings unless they have a conflict of interest in relation to the matter being discussed.

2.13 Agenda

The Board Governance Professional in consultation with the Chair and Principal shall prepare the draft Board agenda. Other members may place an item on the agenda for discussion (except in the case of an extraordinary meeting where only the urgent business notified at the time the meeting was requested will be placed on the agenda). The Board Governance Professional shall ensure that all items placed on the agenda fall within the remit of the Board or Committee.

All matters for consideration by the Board or Committee shall be clearly identified on the draft agenda as to whether it is for approval, decision, discussion, noting or for information purposes.

All matters for consideration by the Board or Committee shall be clearly identified on the agenda as for publication or whether it be a matter reserved as confidential under the circumstances described in paragraph 2.8 above.

The order of business shall be:

- Apologies for absence
- Declarations of any Potential Conflicts of Interest in relation to any agenda items
- Approval of the minutes of the previous meeting
- Matters arising
- Student Related Business
- All other business with those items of business requiring approval or a decision taking precedence over items of business for noting
- Date of the next meeting(s).

All business at Board and Committee meetings shall be conducted through the Chair by members indicating to the Chair that they wish to speak. The Chair shall be heard without interruption.

The Chair shall be responsible for the general conduct of the meeting to preserve order and to ensure that every member has the opportunity to contribute.

2.14 Board and Committee Papers

Board and Committee papers may be submitted by the Chair, the Principal, a member of the Senior Management Team or the Board Governance Professional.

The Board Governance Professional shall ensure the circulation of papers to Board or Committee members at least five working days prior to the meeting. Where this timescale is not possible, the Board Governance Professional shall advise members of this and advise of the reason for the delay and when papers might be expected.

2.15 Minutes of Board and Committee Meetings

In addition to recording the decisions and basis of decisions of all business on the agenda, the minutes shall include a record of those members present and any individuals in attendance, for all or part of the meeting.

Draft minutes shall be prepared for the Chair's agreement normally within ten working days of the meeting and shall be labelled 'draft'.

Once agreed by the Chair, minutes shall be circulated to members normally within twelve working days of the meeting and shall be labelled 'unapproved circulated'.

The minutes shall be considered for approval by the Board or Committee at its next meeting and the Chair of the meeting shall thereafter confirm the minute that shall be labelled 'final version'.

The Board Governance Professional shall be responsible for ensuring that a final version of the minutes is securely retained.

The Board Governance Professional shall be responsible for ensuring that the final version of the minutes of each Board and Committee meeting is timeously published on the College website.

In the event that extraordinary business is being transacted and additional meetings are being arranged, the timescales for preparing minutes shall be adjusted to ensure their availability for approval at the next meeting.

Where a Committee meets infrequently, draft minutes shall be circulated by email to all Members who will be required to confirm their approval or otherwise of the draft within eight weeks of the meeting having taken place. The minutes shall thereafter be confirmed by the Chair of the meeting and labelled as 'final version'.

All Committee minutes will be submitted to the Board for information at the next scheduled meeting of the Board following their confirmation. Only final versions of minutes shall be published on the College Website.

2.16 Board Members' Interests and Conflicts of Interest

In accordance with the terms of the Ethical Standards in Public Life Etc. (Scotland) Act 2000, a Register of Interests will be maintained by the Board Governance Professional. Such Register of Interests shall be available for inspection on the College Website and at all reasonable times at the main

Board of Management office of the College or as otherwise required by the Standards Commission for Scotland. It is the responsibility of members of the Board to declare all relevant information and to promptly notify any changes. Guidance is provided in the Code of Conduct for Members of the Board of Management of Ayrshire College which is detailed within Section 5 below.

A conflict of interest arises when a board member has a direct or indirect interest in the outcome of any agenda item under consideration that a member of the public would reasonably assume could compromise their impartiality. Board members have a responsibility to ensure that all contributions they make to discussions and decision-making and all acts they undertake as board members are impartial. It will be the responsibility of each individual board member to declare when such a conflict of interest arises for them. The decision of the Board or Committee Chair in relation to all matters relating to conflicts of interest will be final.

2.17 Confidentiality of Information

Any information received or obtained by any person in connection with their functions as a Board Member, or a member of any Committee, shall be treated by them as confidential to the Board or that Committee and shall not, without the express prior approval of the Board and the Board Chair, be discussed with any other person other than a member of the Board or Committee privy to that information prior to the meeting concerned.

This confidentiality extends to co-opted members of the Board and its Committees. In addition, observers and co-optees attending any meeting of the Board and its Committees are also required to observe the confidentiality of all of the papers, information, discussions and decisions they are privy to. Where observers or co-optees are not already covered by a confidentiality requirement by virtue of their employment or other arrangement (e.g. government or local authority employees) they will be asked to sign an undertaking to that effect.

Papers, discussion and decisions agreed by the Board to be confidential and reserved items shall be separately minuted and maintained by the Board Governance Professional and shall not be made available to anyone other than members of the Board and the Board Governance Professional. Members of the Board may not discuss such matters with anybody other than Board Members privy to that information without the express prior approval of the Board and the Board Chair.

In particular, Board Members must treat the following information as confidential and must not divulge or disclose any such information to any third party:

- personal information held about individuals;
- information relating to a person who is, has been, or is likely to be a student of the College.

- any information the disclosure of which is prohibited by anything in any Statutory Provision
- matters relating to the business of the College, its transactions and financial affairs.
- matters relating to the business of the College's funders, partners, contractors and
- other third parties with which the College has or may have business or commercial relationships.
- matters related to or concerned with legal disputes, actions or the like concerning the College; and
- matters which are identified by the Board as being confidential or which, given their nature, may be regarded as being confidential to the College.

For the avoidance of doubt, any breach of confidentiality by a board member or members, co-opted members and observers will be considered a very serious matter, will be fully investigated, and may lead to suspension or dismissal from the Board and/or legal action.

2.18 Scheme of Delegation

The Board has an agreed Scheme of Delegation (see Section 4 below), which defines the powers delegated to the Chair of the Board, the Committees, the Principal, and the Board Governance Professional. The Scheme of Delegation shall be reviewed and updated from time to time as agreed by the Board.

Matters which are dealt with under delegated authority by the Chair of the Board, a Board Committee, the Principal, or the Board Governance Professional do not need further confirmation by the full Board unless the Scheme of Delegation so requires.

The Board will be kept informed of matters determined under delegated authority by the Chair of the Board, a Board Committee, the Principal, or the Board Governance Professional.

If the Board has reasonable grounds to suspect that powers granted under the Scheme of Delegation have been misused or exceeded by any party the Board may take whatever steps it considers reasonable and appropriate to investigate the matter, and to act upon any findings so made. In any such circumstance, the Board will seek legal advice before proceeding, and may seek advice from other bodies such as the SFC and the Standards Commission as appropriate.

2.19 Financial Regulations and Scheme of Financial Delegation

The Board of Management separately approves detailed Financial Regulations that set out practical parameters, guidance and responsibilities relating to financial control. These Financial Regulations are updated on an agreed cycle and include a Scheme of Financial Delegation which sets out the financial authorities, including financial spending limits, delegated to the Principal (See Section 4 below).

2.20 Suspension, Alteration and Review of the Standing Orders

Any one or more provisions of these Standing Orders may be suspended, except where such suspension might lead to an action contrary to law, provided that at least two thirds of the members present vote to do so.

No alteration of these Standing Orders shall be made without notice of any proposed alteration having been given in the notice calling a meeting at which the alteration is to be considered and a majority of the Board Members present and voting at such meeting voting in favour of the alteration being made and adopted.

The Board shall, at least once every three years, review its Responsibilities and Standing Orders in order to determine whether any amendments and/ or additions should be made thereto.

Section 3: Standing Orders – Board and Committees’ Terms of Reference

3.1 Board of Management Terms of Reference

Introduction

The Board of Management is responsible for the overall functioning and strategic direction of the College. The Board of Management is also responsible for planning the future development of the College and for ensuring its effective management.

The Board of Management has ultimate responsibility for all the affairs of the College.

The Board of Management is publicly accountable for the College’s stewardship of public funds and given the nature of this obligation demands the highest standards of Corporate Governance.

Remit

The Board of Management is responsible for overseeing all matters related to function and strategic direction of the College. The Board of Management through its Committees will provide strategic leadership to ensure that the College aims and objectives are achieved. The Board will also ensure, through the actions of the Chair, that the requirements in relation to new members’ induction and mentoring, from both the Board and board committees’ perspective, are properly fulfilled and enacted.

Board of Management Membership

The membership of the Board of Management will be constituted as determined by Statutory Provision.

As currently constituted under Statutory Provision, the Board of Management shall consist of not less than 15 or more than 48 **20** persons.

The Board shall comprise:

- The Chair, appointed by Scottish Ministers.
- The Principal of the College.
- A person being elected by the teaching (curriculum) staff from among their own number.
- A person being elected by the service/support (non-curriculum) staff from among their own number.
- **2 persons as Trade Union nominated members (one nominated by support staff unions and the other nominated by the teaching staff union), in addition to the elected staff representatives, for partnership working.**

- 2 persons being appointed by being nominated by the Students' Association of the College from among students at the College (this includes students on a sabbatical year).
- Up to 12 other people, not being members of staff or full-time students, who have experience in different industry sectors, commercial or employment matters, or the practice of a profession, or who represent the Third Sector, Public Sector Bodies or Trades Union, or who otherwise have an interest in the College and in further and higher education and who represent the demography and diversity of the region (these appointments will be the "Non-Executive Members").
- While observers attending board meetings will receive information provided to other members of the board (including papers and minutes), they may not be permitted to formally vote on matters submitted for a vote however, they may be granted the right to speak at meetings, following permission by the Chair. The Chair would also determine if there were any reserved matters that it was not appropriate for an observer to receive papers or be included in discussion.

The Board of Management is responsible for ensuring the internal and external induction of its members and for their ongoing training and development in line with the requirements and provisions of the Scottish Government, Scottish Funding Council (SFC), Colleges Scotland and the College Development Network (CDN).

Quorum

50% of the Board of Management places occupied will constitute a quorum.

Attendance

The Board of Management may co-opt individuals as appropriate. Details of the proposed co-opted individuals will be approved by the Chair of the Board in advance. The role, remit and term of membership of the co-opted individuals will be determined by the Board.

The Executive Leadership Team and other Staff, as required, should attend meetings of the Board of Management to provide information and reports as appropriate.

The Board has the option of meeting without any members of staff present. Where the Board Governance Professional has been also been excluded, the Chair of the Board shall arrange for a full minute of the meeting to be recorded, which shall include a full explanation of why the Board Governance Professional was excluded from the meeting.

Meetings

The Board shall normally meet on a quarterly basis but shall meet on a minimum of three occasions per annum.

Any member of the Board of Management may convene additional meetings as and when required by giving a minimum of ten working days' notice to the Board Governance Professional to call a meeting.

The Chair of the Board of Management will instruct the Board Governance Professional to call meetings of the Board. The agenda and supporting papers will normally be sent made available to members at least five working days before the day of the meeting.

Where, in the opinion of the Chair, an exceptional and urgent matter of business requires to be considered by the Board at shorter notice than that provided for above, the Chair may instruct the Board Governance Professional to call a meeting of the Board of Management at a time, date and place determined by the Chair.

Duties

The Board of Management has responsibility for overseeing the business of the College, determining its future direction and fostering an environment in which the College vision, mission and objectives are achieved, and the potential of all learners is maximised. The Board of Management is the employer of all staff of the College.

The Board of Management must ensure compliance with Statutory Provision and their ordinances, schedules and provisions; together with all advice, guidance and direction provided, from time to time, by the Scottish Government, SFC or other properly constituted agency which regulate the College and its framework of governance and, subject to these, take all final decisions on matters of fundamental concern to the College.

The following items are retained for approval by the Board of Management, upon advice from or recommendation by the relevant Committee where appropriate, and may not be delegated:

- To approve Strategies presented by the relevant Committees.
- To approve the planning cycle proposed by the Executive Management Team for the preparation of the Outcome Agreement, the College Strategic Plan, and to approve the Plan itself before publication.
- To approve the annual accounts, following consideration by the Business, Resources and Infrastructure Committee and Audit Committee.
- To approve the College budget proposals, following consideration by the Business, Resources and Infrastructure Committee.
- To approve the appointment of the Principal and Chief Executive.
- To approve any financial packages in excess of statutory provisions, for severance payments, following consideration by the Performance Review and Remuneration Committee.

- To receive and consider at each meeting the Board of Management extract from the rolling Ayrshire College Corporate Risk Register, and to advise the Audit and Risk Committee accordingly.
- To receive, consider and approve the Ayrshire College Corporate Risk Register following consideration and comment by the Audit and Risk Committee.
- To receive, consider and approve recommendations from the Search and Nomination Committee on the membership of new and reappointed

Board Members, prior to submission to the Scottish Ministers for approval;¹

- To ensure that appropriate and adequate induction procedures are in place for all new Board Members
- To ensure that the arrangements made to implement the College Health and Safety Management System are effective.

Authority

The Board of Management is authorised to investigate any matters in any reasonable manner as it sees fit. The Board of Management is authorised to receive and record information received as a part of any investigatory process from persons who are not members of the Board and who are not employees of the College provided, they wish to co-operate in the provision of information and whilst taking account of policy and legal rights and responsibilities.

The Board is authorised to seek and obtain any information it requires from any senior manager or employee of the College, its advisors or member of the Ayrshire College Board of Management whilst taking account of policy and legal rights and responsibilities.

Reporting Arrangements

At the end of each meeting, the Board will decide on the business of the meeting that may be fully published on the College website. Normally it would be expected that complete minutes and papers will be published: except where the exclusions listed in paragraph 2.8 of these Standing Orders apply.

Minutes will be kept of the proceedings of the Board by the Board Governance Professional. These will be circulated, in draft form normally within ten working days to the Principal for checking and then to the Chair of the Board for consideration. It is expected that minutes will be checked timeously, and any amendments advised to the Board Governance Professional.

¹ In the interests of practicality, this may be undertaken by circulation where a meeting of the Board is not immediately scheduled.

The Chair of the Board shall submit draft minutes to the next Board meeting for-approval.

Board Members should be clear that as members of a board of a college sector public body, they are required to act in the best interests of the public body, as opposed to any individual constituency from which they have been nominated or elected.

Representative members need to be aware of their obligations to the board and reconcile these with their obligations to their constituency. While representative members can raise matters from the perspective of their constituency, they should not promote the interests of, or lobby on behalf of, the constituency when sitting as a college or regional college board member. They are not expected to report back to their constituencies the work and discussions of the board.

3.2 Audit and Risk Committee Terms of Reference

Introduction

The Audit and Risk Committee is identified as a Committee of the Ayrshire College Board of Management. The approved Terms of Reference and information on the composition and frequency of the Committee will be considered as an integral part of the College Standing Orders.

The Committee is a Standing Committee of the Board of Management. For the purposes of the Terms of Reference, unless otherwise indicated, 'the Board' means the Ayrshire College Board of Management.

Remit

The Committee will be responsible for overseeing and providing assurance to the Board on all matters related to the external audit, internal audit and risk management of the College and provide assurance to the Board that the requirements of the Code of Audit Practice published by Audit Scotland are observed along with all other relevant regulations and legislation. The Committee will have a particular engagement with internal and external audit, financial reporting issues and corporate risk management.

Committee Membership

The Committee membership shall consist of a minimum of four non-executive Board members who shall be independent and objective in terms of their Audit and Risk Committee function and, in line with good practice, will not include either the Principal or the Chair of the Board. At least one member of the Audit and Risk Committee must have recent relevant financial or audit experience.

Committee members are all recommended to complete the College Development Network online training module College Audit Committees.

The Committee Chair will be appointed by the Board.

Committee membership will be reviewed annually by the Board.

Quorum

50% of the total membership of the Committee will constitute a quorum.

Attendance

The Committee may co-opt additional individuals as appropriate. Details of proposed co-opted individuals will be notified to the Chair of the Board in advance. The role, remit, and term of membership of co-opted individuals will be determined by the Committee.

External and Internal Auditors shall normally attend meetings and will be invited to all meetings.

The Vice Principal responsible for Finance, the Assistant Principal of Finance, Student Funding and Estates and, where appropriate, other staff will be

invited to attend meetings of the Committee to provide information and reports as appropriate.

Meetings

The Committee shall normally meet on a quarterly basis but shall meet on a minimum of three occasions per annum.

Any member of the Committee may request to convene additional meetings of the Committee as and when required by giving a minimum of ten working days' notice to the Board Governance Professional to call a meeting.

The Committee Chair will instruct the Board Governance Professional to call meetings of the Committee. The agenda and supporting papers will normally be sent made available to members at least five working days before the day of the meeting.

The Committee may meet privately without any non-members (with the exception of the Board Governance Professional) for all or part of a meeting if they so decide.

The Committee will normally meet with the external and internal auditors annually without any non-members (with the exception of the Board Governance Professional) being present.

Duties

- To agree Strategies within the Committee's overall remit subject to Board of Management approval.
- Reviewing and advising the Board of Management on the effectiveness of the College's financial and other internal Control Systems.
- Reviewing and advising the Board of Management on corporate governance requirements.
- Reviewing and advising the Board of Management on the effectiveness of the College risk management procedures, the presentation of the Ayrshire College Corporate Risk Register and the maintenance of an appropriate balance between risk and opportunity
- Appointing the College's Internal Auditors on a contractual basis and agreeing on the terms of reference for an audit service.
- Reviewing the scope and effectiveness of the work of the internal and external auditor using appropriate performance indicators.
- Considering issues raised in audit reports, annual management letter and reporting to the Board of Management on action required.
- Considering the College's annual financial statements and external auditor's report prior to submission to the Board of Management by the

Business, Resources, and Infrastructure Committee. Recommending to the Board the adoption of the audited Annual Accounts.

- Agreeing an internal and external audit plan.
- Advising the Board of Management on internal and external value for money reviews which secure the effective use of College resources.
- Preparing an Annual Report to the Board of Management on the work of the Audit Committee which will then be submitted to the Scottish Funding Council.
- Reviewing reported cases of impropriety to establish whether they have been appropriately handled.
- Agreeing the fees of Internal and External Auditors.
- At each meeting receive and consider the rolling Ayrshire College Corporate Risk Register and comment accordingly to the Board of Management.
- The consideration and approval of the Ayrshire College Business Continuity Plan on an annual basis.

Authority

The Committee is authorised to investigate any matters which fall within its Terms of Reference.

The Committee is authorised to seek and obtain any information it requires from any senior manager or employee of the College, its advisors or member of the Ayrshire College Board of Management whilst taking account of policy and legal rights and responsibilities.

Reporting Arrangements

At the end of each meeting, the Committee may further decide on the business of the meeting that will be fully published on the College website, should this differ from that recorded on the meeting agenda. Unless otherwise recorded, it would be expected that complete minutes and papers will be published: except where the exclusions listed in paragraph 2.8 of these Standing Orders apply.

Minutes will be kept of the proceedings of the Committee by the Board Governance Professional. These will be circulated, in draft form normally within ten working days to the appropriate senior leadership representatives for checking and then to the Chair of the Committee for consideration. It is expected that minutes will be checked timeously, and any amendments advised to the Board Governance Professional.

The Chair of the Committee shall report on the work and recommendations of the Committee to the next scheduled Board meeting for information/approval

and submit confirmed Committee minutes to the first meeting of the Board immediately following their approval.

3.3 Business, Resources and Infrastructure Committee: Terms of Reference

Introduction

The Business, Resources and Infrastructure Committee is identified as a Committee of the Ayrshire College Board of Management. The approved Terms of Reference and information on the composition and frequency of the Committee will be considered as an integral part of the College Standing Orders.

The Committee is a Standing Committee of the Board of Management. For the purposes of the Terms of Reference, unless otherwise indicated, 'The Board' means the Ayrshire College Board of Management.

Remit

The Committee will be responsible for:

- overseeing all matters related to the College Estate including land, buildings, moveable assets, and equipment and/or regulations and ensure that any guidance published by the Scottish Funding Council is observed.
- overseeing all matters related to the College's continuing organisational development including oversight of the development, planning, and delivery of the overarching People Strategy, promoting a positive and inclusive culture, and reviewing and monitoring the quality and performance of associated programs of work.
- overseeing all matters related to strategic and operational financial planning of the College, how this reflects upon the strategic resource management of the College and provide assurance to the Board on the ongoing financial management and performance of the College.

Committee Membership

The Committee membership shall consist of a minimum of six members from the Board, including the Principal of the College and Chair of the Board who will be standing members of the Committee. The Board will seek to ensure that an appropriate range of expertise and knowledge related to the remit of the Committee is included within the committee membership.

The Committee Chair and remaining members will be appointed by the Board. Committee membership will be reviewed annually by the Board, taking account of the remaining terms of office of the Committee members.

Quorum

50% of the total membership of the Committee will constitute a quorum.

Attendance

The Committee may co-opt individuals as appropriate. Details of proposed co-opted individuals will be notified to the Chair of the Board in advance. The role, remit and term of membership of co-opted individuals will be determined by the Committee.

Attendance is open to all Vice Principals, and, where appropriate, other staff may be invited to attend meetings of the Committee to provide information and reports as appropriate.

Meetings

The Committee shall normally meet on a quarterly basis but shall meet on a minimum of three occasions per annum.

Any Member of the Committee may request to convene additional meetings of the Committee as and when required by giving a minimum of ten working days' notice to the Board Governance Professional to call a meeting.

The Committee Chair will instruct the Board Governance Professional to call meetings of the Committee. The agenda and supporting papers will normally be sent made available to members at least five working days before the day of the meeting.

Duties

- Provide guidance and direction to College Management as appropriate.
- Consider and propose strategies within the Committee's overall remit and recommend for approval by the Board of Management.
- Consider and report on any other relevant functions of the college that are out with the Learning, Teaching and Quality Committee remit.

Human Resources

- Ensure that a positive and inclusive culture is embedded across the College.
- Ensure that there is strong and effective leadership which supports and encourages personal and professional development and the empowerment of teams.
- Review and monitor progress against delivery of key strategic objectives and scrutinize related key performance indicator (KPI) reports to ensure that the College delivers to the People Strategy.
- Ensure that the College meets all aspects of the Public Sector Equality Duty and Equality Act 2010, through publishing equality outcomes and reporting on mainstreaming activity to embed equality across all College activities.
- Ensure that the College maintains the highest standards in health and safety and meets all legislative requirements.

- Ensure that the College actively supports all staff in maintaining positive wellbeing through delivering evidence-based initiatives and programmes consistent with the People Strategy.
- Ensure that the College is managing and developing effective, open, and transparent internal communications and dialogue with staff and the trade unions recognised by the College.

Estates and infrastructure

- Regularly review all property assets.
- Discuss and make recommendations to the Board on the annual capital expenditure programme and proposed estates **and digital infrastructure** projects, and to consider the strategic robustness and financial viability of the proposals.
- Oversee the major estates projects to ensure that projects are developed within the parameters specified by the Board of Management.
- Consider the College's property portfolio making recommendations to the Board for the disposal of and acquisition of land and buildings, including their financial liability.
- Ensure compliance with the Scottish Funding Council's Financial Memorandum with regard to the College's estate and all strategic financial decisions and actions.
- Ensure the principles of sustainability in managing the College's estate.

Finance

- Consider and make recommendations to the Board on the annual financial budget for the College.
- Monitor the receipt of funds in the form of financial allocations, together with supplementary income, ensuring all funds are applied for the purposes specified in the allocation.
- Monitor in-year expenditure against budget and advise the Board including any requirement for remedial action.
- Consider financial benchmarking and performance information on a variance reporting basis
- Recommend for Board approval, the College's borrowing requirement and all borrowing/loan agreements, granting security and/or giving guarantees as appropriate within the regulations as set out in the Financial Memorandum with the Scottish Funding Council.

- Oversee and recommend for Board approval all requests for Estates related project funding prepared for submission to the Ayrshire College Foundation.
- Oversee the agreement and implementation of the Financial Regulations of the College and systems of delegated authority to ensure a robust financial control environment is in place.
- Consider the Statutory Annual Accounts of the College and report on them to the Board.

Risk Management

- Receive and consider the Committee's extract from the current version of the Corporate Risk Register and to advise the Audit and Risk Committee accordingly.

Authority

The Committee is authorised to investigate any matters which fall within its Terms of Reference.

The Committee is authorised to seek and obtain any information it requires from any senior manager or employee of the College, its advisors or member of the Ayrshire College Board of Management whilst taking account of policy and legal rights and responsibilities.

Reporting Arrangements

At the end of each meeting, the Committee may further decide on the business of the meeting that will be fully published on the College website, should this differ from that recorded on the meeting agenda. Unless otherwise recorded, it would be expected that complete minutes and papers will be published: except where the exclusions listed in paragraph 2.8 of these Standing Orders apply.

Minutes will be kept of the proceedings of the Committee by the Board Governance Professional. These will be circulated, in draft form normally within ten working days to the appropriate senior management representatives for checking and then to the Chair of the Committee for consideration. It is expected that minutes will be checked timeously, and any amendments advised to the Board Governance Professional.

The Chair of the Committee shall report on the work and recommendations of the Committee to the next scheduled Board meeting for information/approval and submit confirmed Committee minutes to the first meeting of the Board immediately following their approval.

3.4 Learning, Teaching and Quality Committee Terms of Reference

Introduction

The Learning, Teaching and Quality Committee is identified as a Committee of the Ayrshire College Board of Management. The approved Terms of Reference and information on the composition and frequency of the Committee will be considered as an integral part of the College Standing Orders.

The Committee will be a Standing Committee of the Board of Management. For the purposes of the Terms of Reference, unless otherwise indicated, 'the Board' means the Ayrshire College Board of Management.

Remit

The Committee will be responsible for overseeing all matters related to the strategic development and delivery of learning, teaching and the student experience, including monitoring and reporting on the associated quality and performance.

Committee Membership

The Committee membership shall consist of a minimum of six members from the Board, which should include at least one staff representative and at least one student representative.

The Committee Chair and remaining members will be appointed by the Board. Committee membership will be reviewed annually by the Board, taking account of the remaining terms of office of the Committee members. The Board will seek to ensure that all members will normally serve at least one year as a member of the Committee during their period of appointment.

Quorum

50% of the total membership of the Committee will constitute a quorum.

Attendance

The Committee may co-opt individuals as appropriate. Details of proposed co-opted individuals will be notified to the Chair of the Board in advance. The role, remit and term of membership of co-opted individuals will be determined by the Committee.

Attendance is open to all Vice Principals, and, where appropriate, other staff may be invited to attend meetings of the Committee to provide information and reports as appropriate.

Meetings

The Committee shall normally meet on a quarterly basis but shall meet on a minimum of three occasions per annum.

Any member of the Committee may convene additional meetings of the Committee as and when required by giving a minimum of ten working days' notice to the Board Governance Professional to call a meeting.

The Committee Chair will instruct the Board Governance Professional to call meetings of the Committee. The agenda and supporting papers will be **sent made available** to members at least five working days before the day of the meeting.

Duties

- To review and agree strategies within the Committee's overall remit and recommend for approval by the Board of Management.
- To seek assurance that the Curriculum Delivery Plan is in alignment with **regional and national economic** government priorities, the strategic direction of the College and meets the requirements of the Ayrshire College National Outcome **Agreement** and ~~Impact Framework~~.
- **To review and monitor the progress against curriculum development and delivery including new areas of skills delivery and adoption of technology and digital learning.**
- To review and scrutinise key performance indicators (KPIs) as a requirement of the National Outcome **Agreement** and ~~Impact Framework~~ in relation to, for example, student success including, but not limited to, student retention, student outcome data, Scottish Index of Multiple Deprivation (SIMD) and post course destinations. Consider action to be taken to improve performance where the KPIs fall below national benchmarks.
- To review and monitor the progress and outcomes of ~~the College's Evaluative Report and Enhancement Plan.~~ **Engagement with Education Scotland.**
- To review and monitor plans and processes to support **enhance** learning, teaching and assessment and the student experience.
- To review and monitor all College services which are provided to support the student journey, including the quality of learning and teaching and student satisfaction.
- To review and monitor equality and diversity outcomes, scrutinise data and receive reports on learner profiles and interventions.
- To review and monitor the use of student funds including bursaries, educational maintenance allowance (EMA) childcare and discretionary funds. **BRIC instead?**
- To receive and review student feedback on their college experience using a range of methods and monitor actions for improvement.
- To receive and consider an annual report on services to support the student experience which will incorporate safeguarding.

- To receive and consider a Student Satisfaction Annual Report.
- To receive and consider the Committee's extract from the current version of the Corporate Risk Register and to advise the Audit Committee accordingly.
- To receive and consider Internal Audit reports as they relate to the remit of the Committee.

Authority

The Committee is authorised to investigate any matters which fall within its Terms of Reference.

The Committee is authorised to seek and obtain any information it requires from any senior manager or employee of the College, its advisors or member of the Ayrshire College Board of Management whilst taking account of policy and legal rights and responsibilities.

Reporting Arrangements

At the end of each meeting, the Committee may further decide on the business of the meeting that will be fully published on the College website, should this differ from that recorded on the meeting agenda. Unless otherwise recorded, it would be expected that complete minutes and papers will be published: except where the exclusions listed in paragraph 2.8 of these Standing Orders apply.

Minutes will be kept of the proceedings of the Committee by the Board Governance Professional. These will be circulated, in draft form normally within ten working days to the appropriate executive management representative for checking and then to the Chair of the Committee for consideration. It is expected that minutes will be checked timeously and any amendments advised to the Board Governance Professional.

The Chair of the Committee shall report on the work and recommendations of the Committee to the next scheduled Board meeting for information/approval and submit confirmed Committee minutes to the first meeting of the Board immediately following their approval.

3.5 Performance Review and Remuneration Committee Terms of Reference

Introduction

The Performance Review and Remuneration Committee is identified as a Committee of the Ayrshire College Board of Management. The approved Terms of Reference and information on the composition and frequency of the Committee will be considered as an integral part of the College Standing Orders.

The Committee will be a Standing Committee of the Board of Management. For the purposes of the Terms of Reference, unless otherwise indicated 'The Board' means the Ayrshire College Board of Management.

Remit

The Committee will be responsible for overseeing all matters related to Performance Review and Remuneration of those members of staff whose remuneration consideration lies outwith the scope of the National Recognition and Procedures Agreement (NRPA) and provide assurance to the Board on all such matters. In undertaking its deliberations, the Committee should take evidence from a range of sources. In particular, students and staff should have a role in contributing views/evidence to the Committee as appropriate.

The Board Chair will report on the performance of the Principal and make recommendations in relation to the Principal's remuneration accordingly. There is no requirement for the Chair to bring proposals relating to the Principal's progression on the incremental scale to the Committee, as the Principal's progression will be included in the annual monitoring report.

For all other staff whom the Committee has responsibility for considering performance and remuneration, reporting and recommendations will be the responsibility of the Principal.

Committee Membership

The Committee shall be chaired by an appropriate Board Member appointed by the Board on the recommendation of the Chair and membership will be the Board Chair, The Board Vice Chair, the Chairs of the Board Committees and the Senior Independent Member (SIM). At the discretion of the Board Chair, in discussion with the Chair of the Committee, additional members may be added from time to time with the approval of the Committee. The Principal may not be a member of this Committee.

The Principal shall be in attendance for the Committee except where discussions relate to their Performance and Remuneration.

The Committee membership will be reviewed annually by the Board, taking account of the remaining terms of office of the Committee members.

Quorum

50% of the total membership of the Committee will constitute a quorum.

Attendance

The Committee may co-opt additional individuals as appropriate. Details of proposed co-opted individuals will be notified to the Chair of the Board in advance. The role, remit and term of membership of individuals will be determined by the Committee.

The Committee may invite other persons to attend meetings of the Committee to provide information and reports as appropriate.

Meetings

The Committee shall meet as appropriate, but not less than once per academic year. Meetings should coincide with pay review outcomes and performance review outcomes.

Any member of the Committee may convene additional meetings of the Committee as and when required by giving a minimum of ten working days' notice to the Board Governance Professional to call a meeting.

The Committee Chair will instruct the Board Governance Professional to call meetings of the Committee. The agenda and supporting papers will normally be sent made available to members at least five working days before the day of the meeting.

Where a progression on the incremental scale for an individual is routine and allied to confirmation of satisfactory performance by the appropriate line manager, the increment be awarded timeously and without immediate reference to this Committee.

In order to ensure the Committee retains an oversight of these matters, a monitoring report be brought annually to the Committee confirming the increments awarded and that these were confirmed by the appropriate named line manager.

By exception, where a progression on the incremental scale for an individual was not routine, i.e., where the appropriate line manager did not confirm satisfactory performance over the previous year or another concern had been raised, the matter, together with a rationale for the decision, be referred immediately to this Committee for consideration.

Reports on the performance of the Principal, Vice Principals and Directors continue to be brought to this Committee as a part of the evidence base for the application of any pay uplift being awarded to those staff whose salaries are the responsibility of this Committee and who are not covered included in the NRPA².

² The National Recognition and Procedures Agreement (NRPA) covers all staff other than the Principal, Vice Principals and Directors. Those staff included in the NRPA will automatically receive any nationally negotiated pay uplift. This Committee considers whether such pay uplift should be applied to the non-NRPA staff and will consider performance reports as a part of the decision-making process.

Where no nationally negotiated pay uplift had been agreed in any given academic year for those staff included within the NRPA, the Committee would meet annually in any case, normally in the 4th quarter, to receive reports on the performance of the staff for which it is responsible and to receive the annual monitoring report on incremental progression awards

Ad-hoc meetings of the Committee may be necessary where NRPA uplift was agreed outwith the annual meeting in the 4th quarter. It was also noted that when each individual reached the top of their incremental scale, contracted incremental progression would cease.

Duties

- To discuss the Performance of those members of staff who are not included within the scope of the NRPA in line with the College's Performance Review frameworks.
- To agree remuneration for those members of staff who are not included within the scope of the NRPA.
- To receive an annual monitoring report on the contractual incremental progression of staff for whom this Committee has remunerative responsibility and oversight.
- To consider, by exception, any recommendation that a member of staff for whom this Committee has remunerative responsibility and oversight be not progressed on their incremental scale, together with the rationale for this recommendation.
- To consider applications from individuals who were outwith the scope of the NRPA and who were in the employ of the College at the effective date of a National Bargaining pay award, but who left their College employment prior to a decision being taken to implement and backdate the agreement/pay award. Consideration will be based on the receipt of a request in writing from the individual concerned. As a general principle, and subject to confirmation of satisfactory performance and all other matters being in order, it is expected that any former member of staff would normally be treated in the same manner as current staff in terms of a payment being made.
- To take account of any advice given by the Scottish Funding Council in terms of remuneration.
- To take account of any guidance issued by the Treasury or other relevant Government bodies on public sector salaries.
- To consider benchmarking information across the Sector and job evaluation processes as appropriate in determining remuneration strategies for staff out with the scope of the NRPA.

- To report to the Board of Management on remuneration policies for staff out with the scope of the NRPA.

Authority

The Committee is authorised to investigate any matters which fall within its Terms of Reference.

The Committee is authorised to seek and obtain any information it requires from any senior manager or employee of the College, its advisors or member of the Ayrshire College Board of Management whilst taking account of policy and legal rights and responsibilities.

Reporting Arrangements

At the end of each meeting, the Committee may further decide on the business of the meeting that ~~will be fully~~ can be published on the College website, should this differ from that recorded on the meeting agenda. Unless otherwise recorded, it would be expected that complete minutes and papers will ~~not~~ be published: ~~except where~~ as per the exclusions listed in paragraph 2.8 of these Standing Orders.

Minutes will be kept of the proceedings of the Committee by the Board Governance Professional. These will be circulated, in draft form normally within ten working days to the appropriate executive management representative for checking and then to the Chair of the Committee for consideration. It is expected that minutes will be checked timeously, and any amendments advised to the Board Governance Professional.

The Chair of the Committee shall report on the work of the Committee to the next scheduled Board meeting for information/approval ~~and submit confirmed Committee minutes to the first meeting of the Board immediately following their approval.~~

3.6 Search and Nomination Committee Terms of Reference

Introduction

The Search and Nomination Committee is identified as a Committee of the Ayrshire College Board of Management. The approved Terms of Reference and information on the composition and frequency of the Committee will be considered as an integral part of the College Standing Orders.

The Committee will be a Standing Committee of the Board of Management. For the purposes of the Terms of Reference, unless otherwise indicated, 'The Board' means the Ayrshire College Board of Management.

Remit

The Committee will be responsible for the recruitment and recommendation of new members and consider re-appointment of current members of the Board of Management.

For the avoidance of doubt, all approval of membership rests with the Board of Management and then Scottish Ministers.

Committee Membership

The Committee shall be chaired by the Chair of the Board, and membership will include all Chairs and Vice Chairs of the Board of Committees. When considering new appointments to the Board, the Committee will also include an external member who will be a full member of the Committee. The appointment of the external will be approved by the Board.³ The Principal may not be a member of this Committee.

Quorum

50% of the total membership of the Committee will constitute a quorum.

Attendance

The Committee may co-opt additional individuals as appropriate. Details of proposed co-opted individuals will be notified to the Chair of the Board in advance. The role, remit and term of membership of co-opted individuals will be determined by the Committee.

Meetings

The Committee shall meet as required in accordance with the remit.

Any member of the Committee may convene additional meetings of the Committee as and when required by giving a minimum of ten working days' notice to the Board Governance Professional to call a meeting.

The Committee Chair will instruct the Secretary to the Board of Management to call meetings of the Committee.

³ The Board is required to co-opt an appropriate independent person, external to Ayrshire College, to play a full role in the recruitment and recommendation of new Board Members to Scottish Ministers

The agenda and supporting papers will normally be sent made available to members at least five working days before the day of the meeting.

Duties

- To ensure that the advertisement of vacancies for Board Members uses a wide range of media and targets, specifically, communities which may be under-represented on the Board.
- To recruit and provide recommendations to the Board of Management and, following Board Approval, Scottish Ministers on the appointment and reappointment of Board Members.
- The Committee will give due regard to issues of equality, diversity, demography and opportunity in any appointments recommended.
- The Committee shall conduct the search and nomination processes in a fair, equitable and non-discriminatory manner.
- The Committee shall develop and monitor procedures for the appointment, reappointment, induction and governance arrangements of Board Members.

Authority

The Committee is authorised to investigate any matters which fall within its Terms of Reference.

The Committee is authorised to seek and obtain any information it requires from any senior manager or employee of the College, its advisors or member of the Ayrshire College Board of Management whilst taking account of policy and legal rights and responsibilities.

Reporting Arrangements

At the end of each meeting, the Committee may further decide on the business of the meeting that will be fully published on the College website, should this differ from that recorded on the meeting agenda. Unless otherwise recorded, it would be expected that complete minutes and papers will be published: except where the exclusions listed in paragraph 2.8 of these Standing Orders apply.

Minutes will be kept of the proceedings of the Committee by the Board Governance Professional. These will be circulated, in draft form normally within ten working days to the appropriate executive management representative for checking and then to the Chair of the Committee for consideration. It is expected that minutes will be checked timeously and any amendments advised to the Board Governance Professional.

The Chair of the Committee shall report on the work of the Committee to the next scheduled Board meeting for information/approval and submit confirmed Committee minutes to the first meeting of the Board immediately following their approval.

Section 4: Standing Orders – Scheme of Delegation

Principles

4.1 General

In order for Colleges to operate effectively, the Board of Management must delegate authority to the Chair, Committees and relevant staff to undertake various responsibilities. These delegated authorities must be documented in a Scheme of Delegation.

It should be noted that legislation does not allow for delegation to Board members other than the Chair. Therefore, any responsibilities normally undertaken by other individuals e.g. the Vice Chair of the Board/Senior Independent Member, should not be documented in this Scheme. (The Principal is a member of staff as well as a Board member and can therefore be delegated authority.)

When delegating authority, the Board should remember that, whilst it can delegate the performance of its functions, the Board itself retains overall responsibility and accountability. It is therefore essential that the Board has the appropriate checks and balances in place to ensure that functions are being exercised effectively and appropriately and in accordance with the delegated authority.

When delegating authority, the Board must have due regard to legislation and terms and conditions of grant (including in relation to its Financial Memorandum, the Scottish Public Finance Manual, the Code of Good Governance for Scotland's Colleges).

The Scheme of Delegation should also take account of internal documents e.g. financial regulations and which set out levels of delegation relating to financial or other matters.

4.2 Authority Reserved to the Board

For clarity, the Board must set out a list of decisions it requires or wishes to retain responsibility for e.g. approval of Annual Accounts. It is acceptable for these items to be discussed by other Committees first (e.g. in the case of Annual Accounts, the Business, Resources and Infrastructure Committee may look at the detail and make a recommendation to the Board for their approval), but the final approval or decision must be considered by the Board as a whole.

4.3 Delegation to Committees

The Board may establish Committees for any purpose and any such Committee may appoint Sub Committees.

In accordance with the Code of Good Governance for Scotland's Colleges, the minimum Committees required are Audit, Remuneration, Finance and Nominations/Appointments. The Board must consider which Committees would be most useful to support the volume of business it undertakes. Where in-depth scrutiny of particular issues is required, it may be useful to have a Committee with members with the appropriate skills to do this, who can then present a summary of this to the full Board. The requirements for Committees are likely to vary between Colleges and apart from the minimum Committees specified above, it is for the Board to determine what would be most useful.

Each Committee must have a remit or terms of reference which sets out the membership, frequency of meetings, duties and responsibilities of the Committee. The Board must approve the remit and any subsequent changes to the remit prior to their implementation.

It may be useful to append the approved remits or terms of reference for the Committees to the Scheme of Delegation.

4.4 Delegation to Chair of Board

The Board should delegate authority to the Chair of the Board to deal with issues on behalf of the Board between meetings and in their role as line manager of the Principal and the Board Governance Professional. These delegations must not contradict other documents in place or the terms and conditions of appointment of the Chair issued by the Scottish Ministers (or the Regional Strategic Body).

4.5 Delegation to Staff

The Board may delegate authority to any member of staff. In most cases, delegation is to the Principal (who in turn delegates to the Senior Management team and other staff) and the Board Governance Professional.

Any authority delegated to staff must be subject to the strategic and policy direction by the Board and the terms of any authority reserved to the Board.

It is essential that the Board delegates responsibility to the Principal in order to ensure the efficient day-to-day running of the College. These responsibilities should be listed and should include responsibilities relating to curriculum, quality, teaching and learning, appointment and management of staff.

Delegation may be given to the Board Governance Professional relating to issuing and publishing of Board papers; acting as returning officer for the appointment of staff elections to the Board; acting as Standards Officer etc.

The Scheme of Delegation should determine arrangements that will be put in place in the event that the Principal and/or Board Governance Professional are absent.

Scheme of Delegation of the Board of Management of Ayrshire College (“the Board”) – Approved by the Board on 14 December 2017

4.6 Preamble

In accordance with paragraph 12(4) of the Further and Higher Education (Scotland) Act 1992 (“the 1992 Act”) a board may delegate the performance of any of their functions to their chair, to any Committee appointed by them or to any member of their staff.

In accordance with paragraph C.8 of the Code of Good Governance for Scotland’s Colleges (“the Code”) delegation of responsibilities from, and matters reserved to, the Board and its Committee must be clarified through a Scheme of Delegation including the functions delegated by the Board to the Chair, Committees, the Principal and the Board Governance Professional.

This Scheme of Delegation must be approved by the Board before it comes into effect, and any subsequent amendments must also be approved by the Board.

4.7 Authority Reserved to the Board

4.7.1 Whilst initial discussion or consideration may take place by Committees or individuals, the Board reserves making decisions on the following matters to itself:

- I. determining the objectives of the Board
- II. final approval of the College’s Strategic Plan and Regional Outcome Agreement
- III. approval of the year-end Annual Report and Accounts
- IV. approval of the Annual Budget
- V. final consideration of the Annual Audit Report
- VI. approval of the Strategic Risk Register
- VII. acquisition and disposal of heritable property, subject to approval of the Scottish Funding Council
- VIII. appointment of Board members, in accordance with the 1992 Act and the College Sector Board Appointments: 2014 Guidance
- IX. appointment and removal of the Principal

- X. appointment and removal of the Board Governance Professional (in accordance with paragraph D.13 of the Code)
- XI. approval of terms and conditions of appointment of Board members
- XII. approval of the Students' Association constitution and the election regulations for student officers
- XIII. delegation of functions of the Board including remits of Committees and this Scheme of Delegation
- XIV. the making, amendment and revocation of the Standing Orders of the Board.

4.8 Delegation to Committees

- 4.8.1** In accordance with paragraph 13 of Schedule 2 to the 1992 Act, the Board may establish Committees for any purpose and any such Committee may appoint Sub Committees.
- 4.8.2** In accordance with paragraph C.8 of the Code, the minimum Committees required are Audit, Remuneration, Finance and Nominations/Appointments.
- 4.8.3** Each Committee and Sub Committee shall have a clearly defined remit which shall set out the duties and responsibilities delegated. The remit must be approved by the Board. The Committee may suggest amendments to the remit, but any amendments must be approved by the Board before they are implemented.
- 4.8.4** The Board may delegate functions to a specific Committee, and this shall be clearly detailed within the minutes of the appropriate meeting.
- 4.8.5** The Board reserves the right to review the Committees required and the authority delegated to them as and when it deems it appropriate to do so.
- 4.8.6** The minutes of each Committee meeting will be submitted to the Board for information at the next appropriate meeting. In addition, the Committee Chair shall give an update to the Board on key issues where requested to do so.

4.9 Delegation to Chair of the Board

- 4.9.1** The Chair must abide by the terms and conditions of their appointment in leading the Board and ensuring its effectiveness, and in exercising any delegated authority. The Chair has delegated authority to:
 - I. exercise judgement in the event of a need for an urgent decision during the period between Board meetings, such that.
 - II. an extraordinary Board meeting is called in the case of material decisions.

III. a proposal is circulated, and a decision is approved by email (in accordance with the Standing Orders) and is thereafter homologated at the next Board meeting.

4.9.2 on behalf of the Board, sign and date the College's Annual Report and Accounts, after Board approval, and other documents as may be required.

4.9.3 represent the Board within the College and externally.

4.9.4 issue communications on behalf of the Board in whatever form is appropriate, both within and out with the College.

4.9.5 monitor, review and record the Principal's performance at least annually against performance measures agreed by the Board.

4.9.6 monitor, review and record the Board Governance Professional's performance at least annually against performance measures agreed by the Board.

4.9.7 ensure each Board member participates in an annual development meeting, facilitated either by the Chair or Vice Chair as appropriate.

4.9.8 initiate action further to a decision of the Board to take disciplinary action against, or suspend, the Principal or Board Governance Professional.

4.9.9 initiate action further to a decision of the Board to appoint a new Principal or Board Governance Professional.

4.10 Delegation to the Principal

The Principal, as Chief Executive of the College, shall be responsible for the operational management of the College subject to strategic and policy direction by the Board and the terms of any specific authority reserved to the Board. The Principal may in turn delegate tasks as appropriate to staff, including the Board Governance Professional. The Principal has delegated authority to:

4.10.1 General Management

I. as appropriate, take such measures as may be required in emergencies, subject to advising the Chair where possible and homologation at the appropriate Committee or to the Board as soon as possible thereafter, on any items for which approval of the Committee or the Board would normally be necessary.

II. facilitate the management of the College and its provision of services within the framework determined by the College's Strategic Plan and Regional Outcome Agreement, the approved budget, and any other policies and strategies determined by the Board.

- III. consult on behalf of the Board with representatives from key organisations, local and national, about the priorities contained within the College's Strategic Plan and Regional Outcome Agreement prior to final approval by the Board.
- IV. respond on behalf of the Board to consultative documents that may be sent to the College by the Scottish Government, the Scottish Funding Council or other external agencies.
- V. incur expenditure in making visits and the provision of reasonable hospitality to representatives of other Colleges, organisations and companies, taking into account the principles of the Bribery Act 2010.
- VI. give a direction in special circumstances that any member of staff shall not exercise a delegated function.
- VII. take out membership of and attend meetings of outside bodies and professional associations where it is compatible with the duties of Principal and in the interests of the College to do so.
- VIII. authorise the issue of press releases for publication and broadcasting on behalf of the College.
- IX. authorise the publication of any document on behalf of the College.
- X. engage the services of outside persons, firms or organisations and enter into contracts and sign all deeds and other documents binding the Board for all purposes except those where the power to engage such services is delegated to a Committee or is reserved to the Board.
- XI. raise funds for and supply them to any of the activities which the Board has power to undertake.
- XII. provide courses as required by outside agencies and negotiate appropriate charges for these.
- XIII. determine the dates of the College holidays and other details of the College's academic calendar.
- XIV. appoint a senior member of staff to deputise for the Principal during periods of planned absence.

4.10.2 Staff Management

- I. determine an appropriate staff structure for the College consistent with the conditions of employment that currently apply after consultation and where appropriate, negotiation with representatives of recognised trade unions.

- II. consult and negotiate with representatives of recognised trade unions on behalf of the Board.
- III. establish procedures for the appointment of College staff in circumstances where the power to appoint has not been delegated to a Committee or is not reserved to the Board.
- IV. supervise, manage and deploy staff within the College and arrange appropriate induction and training for College staff.
- V. establish procedures for taking disciplinary action against College staff up to and including dismissal subject to complying with the policies laid down by the Board.
- VI. grant unpaid leave of absence to any member of College staff in accordance with the relevant policies laid down by the Board.
- VII. represent the Board in negotiating and implementing conditions of service in relation to relevant College staff, including participation in national collective bargaining.
- VIII. approve the secondment of College staff to external agencies in accordance with relevant policies laid down by the Board and to approve the appointment, where necessary, of a temporary replacement for the duration of the secondment.
- IX. in exceptional circumstances, agree individual severance arrangements with staff, taking into account limits set by the Scottish Funding Council and functions delegated to the Board or a Committee.
- X. establish any other procedures required for the orderly management of College staff.

4.10.3 Student Management

- I. arrange for the provision of appropriate curriculum and support services for students and clients.
- II. administer, in accordance with any policy determined by the Scottish Government or the Scottish Funding Council or the Board the disbursement of monies to students attending the College.
- III. administer, in accordance with any policy of the Board, the provision of financial or other assistance to students of the College.
- IV. set and amend as necessary the level of tuition fees, examination expenses, maintenance and contribution scales for all courses offered by the College and to waive or grant remission of such fees or expenses in special cases within guidelines set by the Board.

- V. authorise students and to make grants to students, to enable them to attend courses and conferences, and to undertake educational visits and excursions within the UK or abroad, within approved budgets and policies of the Board.
- VI. take appropriate disciplinary action including exclusion, against students in accordance with any policies of the Board.
- VII. provide financial or other assistance to the Students' Association of the College within the terms approved by the Board.

4.10.4 Property Management

- I. allocate accommodation within the College in order to meet student and staff needs and to arrange for any necessary alterations or adaptations to College property.
- II. apply to the appropriate authority for any necessary statutory consents.
- III. grant any way leave or servitude over property of the College on such terms as may be appropriate.
- IV. grant the use of College accommodation to outside bodies or persons for the purpose of holding meetings and functions on such terms and conditions as are reasonable in the circumstances.

4.10.5 Financial Management

- I. take personal responsibility for ensuring the proper and effective operation of financial, planning and management controls, and for giving effect to the Board's policies for securing the efficient, economical and effective management of all the College's income, assets and expenditure. This includes agreeing Board approved budgetary limits.
- II. act at all times in compliance with the Financial Memorandum, Conditions of Grant, Scottish Public Finance Manual and to follow the College's Financial Regulations, taking particular account of the delegated financial limits.
- III. enter into and negotiate contracts and other binding arrangements for the supply of goods and services (whether bought, leased, hired or otherwise acquired) to the College or to authorise another to enter into such contracts up to a value of the relevant EU Procurement threshold or Board approved budgetary limits and all in accordance with the College's financial regulations.
- IV. terminate contracts when it is in the best interests of the College to do so.

- V. check the financial standing of potential contractors.
- VI. dispose of assets up to the value of the delegated financial limit as set out in the Finance Regulations and in line with the requirements of the Scottish Public Finance Manual.
- VII. administer any educational endowment which transferred to and vested in the Board in terms of Section 19(1) of the 1992 Act.
- VIII. take out any necessary insurances to protect the interests of the College.
- IX. settle any claims whether or not such claims are insured or whether or not a court action has been raised.
- X. spend public funds only for the purposes for which they were given and in accordance with any terms and conditions attached to them.
- XI. arrange for the presentation to the Board for approval an Annual Budget of income and expenditure, including revenue and capital, and to give regular updates on income and expenditure account, balance sheet and cash flow statement.
- XII. arrange for the preparation, audit and presentation to the Board of Accounts following the end of each financial year in compliance with the requirements of the Accounts Direction and encompassing Audit Scotland and the Scottish Funding Council instruction.
- XIII. report to the Scottish Funding Council should the Board adopt a policy or commission an action which is incompatible with the terms of the Financial Memorandum or the Scottish Public Finance Manual, or which would infringe on the requirements of propriety or regularity, and report to the Board in writing on such matters being considered and advise the Board that, should it wish to choose to continue with the policy or action, then as Accounting Officer he or she must report the Board's intentions to the Scottish Funding Council in writing.

4.10.6 Absence of the Principal

- I. In the absence of the Principal, the Executive Team shall ensure that the essential functions and delegated authorities of the Principal are carried out with due regard to any relevant provisions of the Financial Memorandum with Fundable Bodies in the College Sector.
- II. After a period of four weeks' unplanned continuous absence of the Principal, the Board shall designate a Vice Principal as the accountable officer for the duration of the Principal's absence, ensuring that the Scottish Funding Council is advised of such absence at the earliest opportunity.

4.10.7 Delegation to the Board Governance Professional

The Board Governance Professional has delegated authority to:

- I. administer, circulate, retain and publish as appropriate the records of all Board and Committee business.
- II. undertake appropriate actions to ensure that the Board is sufficiently informed of its obligations as defined in legislation, the terms and conditions of grant, the Scottish Public Finance Manual, the Code and the Standing Orders.
- III. administer staff elections to the Board and act as returning officer.
- IV. act as Standards Officer in accordance with Advice on the Role of a Standards Officer (issued by the Standards Commission for Scotland).
- V. in accordance with the Code, report any unresolved concerns about the governance of a body to the relevant funding body (i.e. the Scottish Funding Council)

4.10.8 Absence of the Board Governance Professional

In the absence of the Board Governance Professional, the Board shall agree temporary arrangements that can be put in place either by appointing a staff member to fulfil the delegated functions, or by making such other arrangements as may be required.

4.10.9 Previous Schemes

This Scheme of Delegation replaces any versions previously approved by the Board.

Section 5: Standing Orders – Board of Management Code of Conduct: approved by the Board of Management, June 2022

CODE OF CONDUCT FOR MEMBERS OF THE BOARD OF MANAGEMENT OF AYRSHIRE COLLEGE

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ANNEXES

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SECTION 1: INTRODUCTION TO THE CODE OF CONDUCT

1.1 This Code has been issued by the Scottish Ministers, with the approval of the Scottish Parliament, as required by the [Ethical Standards in Public Life etc. \(Scotland\) Act 2000 \(the “Act”\)](#).

1.2 The purpose of the Code is to set out the conduct expected of those who serve on the boards of public bodies in Scotland.

1.3 The Code has been developed in line with the nine key principles of public life in Scotland. The principles are listed in [Section 2](#) and set out how the provisions of the Code should be interpreted and applied in practice.

My Responsibilities

1.4 I understand that the public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. I will always seek to meet those expectations by ensuring that I conduct myself in accordance with the Code.

1.5 I will comply with the substantive provisions of this Code, being sections 3 to 6 inclusive, in all situations and at all times where I am acting as a board member of my public body, have referred to myself as a board member or could objectively be considered to be acting as a board member.

1.6 I will comply with the substantive provisions of this Code, being sections 3 to 6 inclusive, in all my dealings with the public, employees and fellow board members, whether formal or informal.

1.7 I understand that it is my personal responsibility to be familiar with the provisions of this Code and that I must also comply with the law and my public body’s rules, standing orders and regulations. I will also ensure that I am familiar with any guidance or advice notes issued by the Standards Commission for Scotland (“Standards Commission”) and my public body, and endeavour to take part in any training offered on the Code.

1.8 I will not, at any time, advocate or encourage any action contrary to this Code.

1.9 I understand that no written information, whether in the Code itself or the associated Guidance or Advice Notes issued by the Standards Commission, can provide for all circumstances. If I am uncertain about how the Code applies, I will seek advice from the Standards Officer of my public body, failing whom the Chair or Chief Executive of my public body. I note that I may also choose to seek external legal advice on how to interpret the provisions of the Code.

Enforcement

1.10 [Part 2 of the Act](#) sets out the provisions for dealing with alleged breaches of the Code, including the sanctions that can be applied if the Standards Commission finds that there has been a breach of the Code. More information on how complaints are dealt with and the sanctions available can be found at [Annex A](#).

SECTION 2: KEY PRINCIPLES OF THE MODEL CODE OF CONDUCT

2.1 The Code has been based on the following key principles of public life. I will behave in accordance with these principles and understand that they should be used for guidance and interpreting the provisions in the Code.

2.2 I note that a breach of one or more of the key principles does not in itself amount to a breach of the Code. I note that, for a breach of the Code to be found, there must also be a contravention of one or more of the provisions in sections 3 to 6 inclusive of the Code.

The key principles are:

Duty

I have a duty to uphold the law and act in accordance with the law and the public trust placed in me. I have a duty to act in the interests of the public body of which I am a member and in accordance with the core functions and duties of that body.

Selflessness

I have a duty to take decisions solely in terms of public interest. I must not act in order to gain financial or other material benefit for myself, family or friends.

Integrity

I must not place myself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence me in the performance of my duties.

Objectivity

I must make decisions solely on merit and in a way that is consistent with the functions of my public body when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

Accountability and Stewardship

I am accountable to the public for my decisions and actions. I have a duty to consider issues on their merits, taking account of the views of others and I must ensure that my public body uses its resources prudently and in accordance with the law.

Openness

I have a duty to be as open as possible about my decisions and actions, giving reasons for my decisions and restricting information only when the wider public interest clearly demands.

Honesty

I have a duty to act honestly. I must declare any private interests relating to my public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

I have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of my public body and its members in conducting public business.

Respect

I must respect all other board members and all employees of my public body and the role they play, treating them with courtesy at all times. Similarly, I must respect members of the public when performing my duties as a board member.

SECTION 3: GENERAL CONDUCT

Respect and Courtesy

3.1 I will treat everyone with courtesy and respect. This includes in person, in writing, at meetings, when I am online and when I am using social media.

3.2 I will not discriminate unlawfully on the basis of race, age, sex, sexual orientation, gender reassignment, disability, religion or belief, marital status or pregnancy/maternity; I will advance equality of opportunity and seek to foster good relations between different people.

3.3 I will not engage in any conduct that could amount to bullying or harassment (which includes sexual harassment). I accept that such conduct is completely unacceptable and will be considered to be a breach of this Code.

3.4 I accept that disrespect, bullying and harassment can be:

- a) a one-off incident,
- b) part of a cumulative course of conduct; or
- c) a pattern of behaviour.

3.5 I understand that how, and in what context, I exhibit certain behaviours can be as important as what I communicate, given that disrespect, bullying and harassment can be physical, verbal and non-verbal conduct.

3.6 I accept that it is my responsibility to understand what constitutes bullying and harassment and I will utilise resources, including the Standards Commission's guidance and advice notes, my public body's policies and training material (where appropriate) to ensure that my knowledge and understanding is up to date.

3.7 Except where it is written into my role as Board member, and / or at the invitation of the Chief Executive, I will not become involved in operational management of my public body. I acknowledge and understand that operational management is the responsibility of the Chief Executive and Executive Team.

3.8 I will not undermine any individual employee or group of employees, or raise concerns about their performance, conduct or capability in public. I will raise any concerns I have on such matters in private with senior management as appropriate.

3.9 I will not take, or seek to take, unfair advantage of my position in my dealings with employees of my public body or bring any undue influence to bear on employees to take a certain action. I will not ask or direct employees to do something which I know, or should reasonably know, could compromise them or prevent them from undertaking their duties properly and appropriately.

3.10 I will respect and comply with rulings from the Chair during meetings of:

- a) my public body, its committees; and
- b) any outside organisations that I have been appointed or nominated to by my public body or on which I represent my public body.

3.11 I will respect the principle of collective decision-making and corporate responsibility. This means that once the Board has made a decision, I will support that decision, even if I did not agree with it or vote for it.

Remuneration, Allowances and Expenses

3.12 I will comply with the rules, and the policies of my public body, on the payment of remuneration, allowances and expenses.

Gifts and Hospitality

3.13 I understand that I may be offered gifts (including money raised via crowdfunding or sponsorship), hospitality, material benefits or services (“gift or hospitality”) that may be reasonably regarded by a member of the public with knowledge of the relevant facts as placing me under an improper obligation or being capable of influencing my judgement.

3.14 I will never **ask for** or **seek** any gift or hospitality.

3.15 I will refuse any gift or hospitality, unless it is:

- a) a minor item or token of modest intrinsic value offered on an infrequent basis;
- b) a gift being offered to my public body;
- c) hospitality which would reasonably be associated with my duties as a board member; or
- d) hospitality which has been approved in advance by my public body.

3.16 I will consider whether there could be a reasonable perception that any gift or hospitality received by a person or body connected to me could or would influence my judgement.

3.17 I will not allow the promise of money or other financial advantage to induce me to act improperly in my role as a board member. I accept that the money or advantage (including any gift or hospitality) does not have to be given to me directly. The offer of monies or advantages to others, including community groups, may amount to bribery, if the intention is to induce me to improperly perform a function.

3.18 I will never accept any gift or hospitality from any individual or applicant who is awaiting a decision from, or seeking to do business with, my public body.

3.19 If I consider that declining an offer of a gift would cause offence, I will accept it and hand it over to my public body at the earliest possible opportunity and ask for it to be registered.

3.20 I will promptly advise my public body’s Standards Officer if I am offered (but refuse) any gift or hospitality of any significant value and / or if I am offered any gift or hospitality from the same source on a repeated basis, so that my public body can monitor this.

3.21 I will familiarise myself with the terms of the [Bribery Act 2010](#), which provides for offences of bribing another person and offences relating to being bribed.

Confidentiality

3.22 I will not disclose confidential information or information which should reasonably be regarded as being of a confidential or private nature, without the express consent of a person or body authorised to give such consent, or unless required to do so by law. I note that if I cannot obtain such express consent, I should assume it is not given.

3.23 I accept that confidential information can include discussions, documents, and information which is not yet public or never intended to be public, and information deemed confidential by statute.

3.24 I will only use confidential information to undertake my duties as a board member. I will not use it in any way for personal advantage or to discredit my public body (even if my personal view is that the information should be publicly available).

3.25 I note that these confidentiality requirements do not apply to protected whistleblowing disclosures made to the prescribed persons and bodies as identified in statute.

Use of Public Body Resources

3.26 I will only use my public body's resources, including employee assistance, facilities, stationery and IT equipment, for carrying out duties on behalf of the public body, in accordance with its relevant policies.

3.27 I will not use, or in any way enable others to use, my public body's resources:

- a) imprudently (without thinking about the implications or consequences);
- b) unlawfully;
- c) for any political activities or matters relating to these; or
- d) improperly.

Dealing with my Public Body and Preferential Treatment

3.28 I will not use, or attempt to use, my position or influence as a board member to:

- a) improperly confer on or secure for myself, or others, an advantage;
- b) avoid a disadvantage for myself, or create a disadvantage for others or
- c) improperly seek preferential treatment or access for myself or others.

3.29 I will avoid any action which could lead members of the public to believe that preferential treatment or access is being sought.

3.30 I will advise employees of any connection, as defined at [Section 5](#), I may have to a matter, when seeking information or advice or responding to a request for information or advice from them.

Appointments to Outside Organisations

3.31 If I am appointed, or nominated by my public body, as a member of another body or organisation, I will abide by the rules of conduct and will act in the best interests of that body or organisation while acting as a member of it. I will also continue to observe the rules of this Code when carrying out the duties of that body or organisation.

3.32 I accept that if I am a director or trustee (or equivalent) of a company or a charity, I will be responsible for identifying, and taking advice on, any conflicts of interest that may arise between the company or charity and my public body.

SECTION 4: REGISTRATION OF INTERESTS

4.1 The following paragraphs set out what I have to register when I am appointed and whenever my circumstances change. The register covers my current term of appointment.

4.2 I understand that regulations made by the Scottish Ministers describe the detail and timescale for registering interests; including a requirement that a board member must register their registrable interests within one month of becoming a board member, and register any changes to those interests within one month of those changes having occurred.

4.3 The interests which I am required to register are those set out in the following paragraphs. Other than as required by paragraph 4.23, I understand it is not necessary to register the interests of my spouse or cohabitee.

Category One: Remuneration

4.4 I will register any work for which I receive, or expect to receive, payment. I have a registrable interest where I receive remuneration by virtue of being:

- a) employed;
- b) self-employed;
- c) the holder of an office;
- d) a director of an undertaking;
- e) a partner in a firm;
- f) appointed or nominated by my public body to another body; or
- g) engaged in a trade, profession or vocation or any other work.

4.5 I understand that in relation to 4.4 above, the amount of remuneration does not require to be registered. I understand that any remuneration received as a board member of this specific public body does not have to be registered.

4.6 I understand that if a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under Category Two, "Other Roles".

4.7 I must register any allowances I receive in relation to membership of any organisation under Category One.

4.8 When registering employment as an employee, I must give the full name of the employer, the nature of its business, and the nature of the post I hold in the organisation.

4.9 When registering remuneration from the categories listed in paragraph 4.4 (b) to (g) above, I must provide the full name and give details of the nature of the business, organisation, undertaking, partnership or other body, as appropriate. I recognise that some other employments may be incompatible with my role as board member of my public body in terms of paragraph [6.7](#) of this Code.

4.10 Where I otherwise undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and how often it is undertaken.

4.11 When registering a directorship, it is necessary to provide the registered name and registered number of the undertaking in which the directorship is held and provide information about the nature of its business.

4.12 I understand that registration of a pension is not required as this falls outside the scope of the category.

Category Two: Other Roles

4.13 I will register any unremunerated directorships where the body in question is a subsidiary or parent company of an undertaking in which I hold a remunerated directorship.

4.14 I will register the registered name and registered number of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which I am a director and from which I receive remuneration.

Category Three: Contracts

4.15 I have a registerable interest where I (or a firm in which I am a partner, or an undertaking in which I am a director or in which I have shares of a value as described in paragraph 4.19 below) have made a contract with my public body:

- a) under which goods or services are to be provided, or works are to be executed; and
- b) which has not been fully discharged.

4.16 I will register a description of the contract, including its duration, but excluding the value.

Category Four: Election Expenses

4.17 If I have been elected to my public body, then I will register a description of, and statement of, any assistance towards election expenses relating to election to my public body.

Category Five: Houses, Land and Buildings

4.18 I have a registrable interest where I own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of my public body.

4.19 I accept that, when deciding whether or not I need to register any interest I have in houses, land or buildings, the test to be applied is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as being so significant that it could potentially affect my responsibilities to my public body and to the public, or could influence my actions, speeches or decision-making.

Category Six: Interest in Shares and Securities

4.20 I have a registerable interest where:

- a) I own or have an interest in more than 1% of the issued share capital of the company or other body; or
- b) Where, at the relevant date, the market value of any shares and securities (in any one specific company or body) that I own or have an interest in is greater than £25,000.

Category Seven: Gifts and Hospitality

4.21 I understand the requirements of paragraphs [3.13 to 3.21](#) regarding gifts and hospitality. As I will not accept any gifts or hospitality, other than under the limited circumstances allowed, I understand there is no longer the need to register any.

Category Eight: Non-Financial Interests

4.22 I may also have other interests and I understand it is equally important that relevant interests such as membership or holding office in other public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In this context, I understand non-financial interests are those which members of the public with knowledge of the relevant facts might reasonably think could influence my actions, speeches, votes or decision-making in my public body (this includes its Committees and memberships of other organisations to which I have been appointed or nominated by my public body).

Category Nine: Close Family Members

4.23 I will register the interests of any close family member who has transactions with my public body or is likely to have transactions or do business with it.

SECTION 5: DECLARATION OF INTERESTS

Stage 1: Connection

5.1 For each particular matter I am involved in as a board member, I will first consider whether I have a connection to that matter.

5.2 I understand that a connection is any link between the matter being considered and me, or a person or body I am associated with. This could be a family relationship or a social or professional contact.

5.3 A connection includes anything that I have registered as an interest.

5.4 A connection does not include being a member of a body to which I have been appointed or nominated by my public body as a representative of my public body, unless:

- a) The matter being considered by my public body is quasi-judicial or regulatory; or
- b) I have a personal conflict by reason of my actions, my connections or my legal obligations.

Stage 2: Interest

5.5 I understand my connection is an interest that requires to be declared where the objective test is met – that is where a member of the public with knowledge of the relevant facts would reasonably regard my connection to a particular matter as being so significant that it would be considered as being likely to influence the discussion or decision-making.

Stage 3: Participation

5.6 I will declare my interest as early as possible in meetings. I will not remain in the meeting nor participate in any way in those parts of meetings where I have declared an interest.

5.7 I will consider whether it is appropriate for transparency reasons to state publicly where I have a connection, which I do not consider amounts to an interest.

5.8 I note that I can apply to the Standards Commission and ask it to grant a dispensation to allow me to take part in the discussion and decision-making on a matter where I would otherwise have to declare an interest and withdraw (as a result of having a connection to the matter that would fall within the objective test). I note that such an application must be made in advance of any meetings where the dispensation is sought and that I cannot take part in any discussion or decision-making on the matter in question unless, and until, the application is granted.

5.9 I note that public confidence in a public body is damaged by the perception that decisions taken by that body are substantially influenced by factors other than the public interest. I will not accept a role or appointment if doing so means I will have to declare interests frequently at meetings in respect of my role as a board member. Similarly, if any appointment or nomination to another body would give rise to objective concern because of my existing personal involvement or affiliations, I will not accept the appointment or nomination.

SECTION 6: LOBBYING AND ACCESS

6.1 I understand that a wide range of people will seek access to me as a board member and will try to lobby me, including individuals, organisations and companies. I must distinguish between:

- a) any role I have in dealing with enquiries from the public;
- b) any community engagement where I am working with individuals and organisations to encourage their participation and involvement, and;
- c) lobbying, which is where I am approached by any individual or organisation who is seeking to influence me for financial gain or advantage, particularly those who are seeking to do business with my public body (for example contracts/procurement).

6.2 In deciding whether, and if so how, to respond to such lobbying, I will always have regard to the objective test, which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard my conduct as being likely to influence my, or my public body's, decision-making role.

6.3 I will not, in relation to contact with any person or organisation that lobbies, do anything which contravenes this Code or any other relevant rule of my public body or any statutory provision.

6.4 I will not, in relation to contact with any person or organisation that lobbies, act in any way which could bring discredit upon my public body.

6.5 If I have concerns about the approach or methods used by any person or organisation in their contacts with me, I will seek the guidance of the Chair, Chief Executive or Standards Officer of my public body.

6.6 The public must be assured that no person or organisation will gain better access to, or treatment by, me as a result of employing a company or individual to lobby on a fee basis on their behalf. I will not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which I accord any other person or organisation who lobbies or approaches me. I will ensure that those lobbying on a fee basis on behalf of clients are not given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming.

6.7 Before taking any action as a result of being lobbied, I will seek to satisfy myself about the identity of the person or organisation that is lobbying and the motive for lobbying. I understand I may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that I understand the basis on which I am being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code and the [Lobbying \(Scotland\) Act 2016](#).

6.8 I will not accept any paid work:

- a) which would involve me lobbying on behalf of any person or organisation or any clients of a person or organisation.
- b) to provide services as a strategist, adviser or consultant, for example, advising on how to influence my public body and its members. This does not prohibit me from being remunerated for activity which may arise because of, or relate to, membership of my public body, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.

ANNEX A: BREACHES OF THE CODE

Introduction

1. [The Ethical Standards in Public Life etc. \(Scotland\) Act 2000](#) (“the Act”) provided for a framework to encourage and, where necessary, enforce high ethical standards in public life.
2. The Act provided for the introduction of new codes of conduct for local authority councillors and members of relevant public bodies, imposing on councils and relevant public bodies a duty to help their members comply with the relevant code.
3. The Act and the subsequent Scottish Parliamentary Commissions and Commissioners etc. Act 2010 established the [Standards Commission for Scotland](#) (“Standards Commission”) and the post of [Commissioner for Ethical Standards in Public Life in Scotland](#) (“ESC”).
4. The Standards Commission and ESC are separate and independent, each with distinct functions. Complaints of breaches of a public body’s Code of Conduct are investigated by the ESC and adjudicated upon by the Standards Commission.
5. The first Model Code of Conduct came into force in 2002. The Code has since been reviewed and re-issued in 2014. The 2021 Code has been issued by the Scottish Ministers following consultation, and with the approval of the Scottish Parliament, as required by the Act.

Investigation of Complaints

6. The ESC is responsible for investigating complaints about members of devolved public bodies. It is not, however, mandatory to report a complaint about a potential breach of the Code to the ESC. It may be more appropriate in some circumstances for attempts to be made to resolve the matter informally at a local level.
7. On conclusion of the investigation, the ESC will send a report to the Standards Commission.

Hearings

8. On receipt of a report from the ESC, the Standards Commission can choose to:
 - Do nothing;
 - Direct the ESC to carry out further investigations; or
 - Hold a Hearing.
9. Hearings are held (usually in public) to determine whether the member concerned has breached their public body’s Code of Conduct. The Hearing Panel comprises of three members of the Standards Commission. The ESC will present evidence and/or make submissions at the Hearing about the investigation and any conclusions as to whether the member has contravened the Code. The member is entitled to attend or be represented at the Hearing and can also present evidence and make submissions. Both parties can call witnesses. Once it has heard all the evidence and submissions, the Hearing Panel will make a determination about whether or not it is satisfied, on the balance of probabilities, that there has been a contravention of

the Code by the member. If the Hearing Panel decides that a member has breached their public body's Code, it is obliged to impose a sanction.

Sanctions

10. The sanctions that can be imposed following a finding of a breach of the Code are as follows:

- **Censure:** A censure is a formal record of the Standards Commission's severe and public disapproval of the member concerned.
- **Suspension:** This can be a full or partial suspension (for up to one year). A full suspension means that the member is suspended from attending all meetings of the public body. Partial suspension means that the member is suspended from attending some of the meetings of the public body. The Commission can direct that any remuneration or allowance the member receives as a result of their membership of the public body be reduced or not paid during a period of suspension.
- **Disqualification:** Disqualification means that the member is removed from membership of the body and disqualified (for a period not exceeding five years), from membership of the body. Where a member is also a member of another devolved public body (as defined in the Act), the Commission may also remove or disqualify that person in respect of that membership. Full details of the sanctions are set out in section 19 of the Act.

Interim Suspensions

11. Section 21 of the Act provides the Standards Commission with the power to impose an interim suspension on a member on receipt of an interim report from the ESC about an ongoing investigation. In making a decision about whether or not to impose an interim suspension, a Panel comprising of three Members of the Standards Commission will review the interim report and any representations received from the member and will consider whether it is satisfied:

- That the further conduct of the ESC's investigation is likely to be prejudiced if such an action is not taken (for example if there are concerns that the member may try to interfere with evidence or witnesses); or
- That it is otherwise in the public interest to take such a measure. A policy outlining how the Standards Commission makes any decision under Section 21 and the procedures it will follow in doing so, should any such a report be received from the ESC can be found [here](#).

12. The decision to impose an interim suspension is not, and should not be seen as, a finding on the merits of any complaint or the validity of any allegations against a member of a devolved public body, nor should it be viewed as a disciplinary measure.

ANNEX B: DEFINITIONS

“Bullying” is inappropriate and unwelcome behaviour which is offensive and intimidating, and which makes an individual or group feel undermined, humiliated or insulted.

"Chair" includes Board Convener or any other individual discharging a similar function to that of a Chair or Convener under alternative decision-making structures.

“Code” is the code of conduct for members of your devolved public body, which is based on the Model Code of Conduct for members of devolved public bodies in Scotland.

"Cohabitee" includes any person who is living with you in a relationship similar to that of a partner, civil partner, or spouse.

“Confidential Information” includes:

- any information passed on to the public body by a Government department (even if it is not clearly marked as confidential) which does not allow the disclosure of that information to the public;
- information of which the law prohibits disclosure (under statute or by the order of a Court);
- any legal advice provided to the public body; or
- any other information which would reasonably be considered a breach of confidence should it be made public.

"Election expenses" means expenses incurred, whether before, during or after the election, on account of, or in respect of, the conduct or management of the election.

“Employee” includes individuals employed:

- directly by the public body;
- as contractors by the public body, or
- by a contractor to work on the public body’s premises.

“Gifts” a gift can include any item or service received free of charge, or which may be offered or promised at a discounted rate or on terms not available to the general public. Gifts include benefits such as relief from indebtedness, loan concessions, or provision of property, services or facilities at a cost below that generally charged to members of the public. It can also include gifts received directly or gifts received by any company in which the recipient holds a controlling interest in, or by a partnership of which the recipient is a partner.

“Harassment” is any unwelcome behaviour or conduct which makes someone feel offended, humiliated, intimidated, frightened and / or uncomfortable. Harassment can be experienced directly or indirectly and can occur as an isolated incident or as a course of persistent behaviour.

“Hospitality” includes the offer or promise of food, drink, accommodation, entertainment or the opportunity to attend any cultural or sporting event on terms not available to the general public.

“Relevant Date” Where a board member had an interest in shares at the date on which the member was appointed as a member, the relevant date is – (a) that date; and (b) the 5 April immediately following that date and in each succeeding year, where the interest is retained on that 5 April.

“Public body” means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

“Remuneration” includes any salary, wage, share of profits, fee, other monetary benefit or benefit in kind.

“Securities” a security is a certificate or other financial instrument that has monetary value and can be traded. Securities includes equity and debt securities, such as stocks bonds and debentures.

“Undertaking” means:

- a) a body corporate or partnership; or
- b) an unincorporated association carrying on a trade or business, with or without a view to a profit.

Section 6: Standing Orders – Board of Management Register of Interests

6.1 Register of Interests

The Ayrshire College Code of Conduct for Board of Management members and the Ethical Standards in Public Life etc. (Scotland) Act 2000 require Board of Management members to declare any “registerable interests”.

This section provides proforma documents that require to be completed within one month of appointment to the Board. As a Board of Management member you must at all times ensure that any registerable interests that you have are registered and you must notify the College whenever your circumstances change in such a way as to require change or an addition to your entry in the Board of Management’s register. You can do this by completing another Register of Interests application and providing it to the Board Governance Professional, who is the responsible person for the Register of Interests at the College.

If you require additional space please attach additional sheets. Please sign and date at the bottom of the application.

It is a requirement that you review your Register of Interests every 12 months.

Please note that the Register of Interests is publicly accessible. The College is required to provide information to the public about where the Register of Interests can be accessed and must provide access to the Register of Interests to any member of the public on request. This information will also be published annually in the College annual Financial Statements and Report of the Board of Management. This information will be published on the College’s website.

This information will be held for five years after you cease to be a member of the Board of Management, as required by the Standards Commission for Scotland.

For further information about the categories of interest which must be registered, please refer to the Board of Management Code of Conduct, or you may contact the Board Governance Professional for further advice.

**Ayrshire College Board of Management
Register of Interests 2022-23**

Board Member's Name:

Signature:

Date:

Date of Appointment to Board:

Category	Code Reference/ Further guidance	Summary Description	Declaration
Category One: Remuneration	Section 3.12 Section 4.4 – 4.12	<p>I will register any work for which I receive, or expect to receive, payment.</p> <p>I have a registrable interest where I receive remuneration by virtue of being:</p> <ul style="list-style-type: none"> a) employed; b) self-employed; c) the holder of an office; d) a director of an undertaking; e) a partner in a firm; f) appointed or nominated by my public body to another body; or g) engaged in a trade, profession or vocation or any other work. 	
Category Two: Other Roles	Section 4.13 - 4.14	<p>Any unremunerated directorships where the body in question is a subsidiary or parent company of an undertaking in which I hold a remunerated directorship.</p> <p>The registered name and registered number of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which I am a director and from which I receive remuneration.</p>	
Category Three: Contracts	Section 4.15 – 4.16	<p>I have a registerable interest where I (or a firm in which I am a partner, or an undertaking in which I am a director or in which I have shares of a value as described in paragraph 4.19 of the Code) have made a contract with my public body:</p> <ul style="list-style-type: none"> a) under which goods or services are to be provided, or works are to be executed; and b) which has not been fully discharged. <p>I will register a description of the contract, including its duration, but excluding the value.</p>	

Category	Code Reference/ Further guidance	Summary Description	Declaration
Category Four: Election Expenses	Section 4.17	If I have been elected to my public body, then I will register a description of, and statement of, any assistance towards election expenses relating to election to my public body.	
Category Five: Houses, Land and Buildings	Section 4.18 – 4.19	<p>I have a registrable interest where I own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of my public body.</p> <p>I accept that, when deciding whether or not I need to register any interest I have in houses, land or buildings, <i>the test to be applied is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as being so significant that it could potentially affect my responsibilities to my public body and to the public, or could influence my actions, speeches or decision-making.</i></p>	
Category Six: Interest in Shares and Securities	Section 4.20	<p>I have a registerable interest where:</p> <p>a) I own or have an interest in more than 1% of the issued share capital of the company or other body; or</p> <p>b) Where, at the relevant date, the market value of any shares and securities (in any one specific company or body) that I own or have an interest in is greater than £25,000.</p>	

Category	Code Reference/ Further guidance	Summary Description	Declaration
Category Seven: Gifts and Hospitality	Section 3.13 – 3.21 Section 4.21	<p>I understand the requirements of paragraphs 3.13 to 3.21 regarding gifts and hospitality. As I will not accept any gifts or hospitality, other than under the limited circumstances allowed, I understand there is no longer the need to register any.</p>	
Category Eight: Non-Financial Interests	Section 4.22	<p>I may also have other interests and I understand it is equally important that relevant interests such as membership or holding office in other public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described.</p> <p>In this context, I understand non-financial interests are those which members of the public with knowledge of the relevant facts might reasonably think could influence my actions, speeches, votes or decision-making in my public body (this includes its Committees and memberships of other organisations to which I have been appointed or nominated by my public body).</p>	
Category Nine: Close Family Members	Section 4.23	<p>I will register the interests of any close family member who has transactions with my public body or is likely to have transactions or do business with it.</p>	

Section 7: Standing Orders – Staff Board Member Election Rules

For the Appointment of Teaching (Curriculum) and Service/Support (Non-Curriculum) Staff Members to the Board of Management of Ayrshire College

Election Rules

- 1 In accordance with Schedule 2 to the Further and Higher Education (Scotland) Act 1992 (“Schedule 2), the Board must include two members of staff. One shall be appointed by being elected by the teaching (“academic”) staff of the college from amongst their own number and the other shall be appointed by the non-teaching (“support”) staff of the college from amongst their own number.
- 2 Paragraph 3B(1) of Schedule 2 provides that such elections must be held in accordance with rules made by the Board.
- 3 Before making, varying or replacing these Election Rules, the Board must, as required under 3B of Schedule 2, consult the representatives of any trade union which the Board recognises as being, or which otherwise appears to the Board to be, representative of the academic/support staff of the College.
- 4 Having consulted relevant representatives as required under paragraphs 3(B)(2) and (3) of Schedule 2, these election rules have been made by the Board under paragraph 3(B)(1) of Schedule 2. These rules were made by the Board on (*Date*) and come into effect on (*Date*).
- 5 For the purposes of these election rules, staff groups are defined as follows:
 - **Teaching Staff (Curriculum)** – all staff (including Managers) who are on the academic staff payroll
 - **Service/Support Staff (Non- Curriculum)** – all staff (including Managers) who are on the support staff payroll
- 6 Appointments shall proceed as follows:
 - (a) The appointment shall be made by election administered by the Returning Officer (the Returning Officer shall normally be the Board Governance Professional. Where the Board Governance Professional is unavailable, the Board must appoint another staff member to act as Returning Officer).
 - (b) The Returning Officer shall communicate to staff any vacancies that arise and request nominations for membership from the Academic or Support Staff as relevant.

- (c) Such nominations must be received by the Returning Officer by the date specified in the communication, being not less than seven days from the date of the communication.
- (d) Each nomination must be signed by the nominee, the proposer and one other person all being members of the academic or support staff as appropriate. Only academic members of staff may nominate the academic member and only support staff may nominate the support staff member.
- (e) If more than one nomination is received, the Returning Officer shall thereafter arrange for an election to be conducted using an appropriate electronic system and shall notify each member of the academic or support staff of the college as appropriate of the names of the nominees and the process to be followed.
- (f) The election shall be completed by the date and time specified in the notice issued by the Returning Officer being not less than seven days from the date of the issue of the notice of the election. Only academic members of staff may vote for the academic member and only support staff may vote for the support staff member. All staff members who are eligible to vote shall each be entitled to one vote.

7 The following rules shall be followed as regards counting votes:

- (a) The Returning Officer shall offer each nominee the opportunity to be present or represented at the counting of votes.
- (b) The counting of votes shall take place within 24 hours of the time set for the close of the election and shall be done by the Returning Officer in the presence of such nominees or their representatives as have chosen to attend.
- (c) The nominee receiving the most votes shall be declared elected.
- (d) In the event of a tie the election shall be decided by the drawing of cards or lots amongst the nominees with the most number of votes.
- (e) In the event of elections for academic and support staff members being held concurrently, the counting of votes shall be done as a separate and consecutive process for each election.
- (f) The Returning Officer may use such staff of the College as may be necessary to assist in the counting of votes.
- (g) The names of the persons elected shall be reported to the next meeting of the Board after the election, and announced to all staff.

The “counting of votes” may be a physical count of ballot papers where a paper system has been used, or the opening of an electronic report where an electronic voting system has been used.

- 8 The following rules shall apply in the event of a vacancy arising in respect of the appointment for a staff member:
 - (a) In the event of an election requiring to be held because of the expiry of the term of office of the respective members of the Board the procedures set out above shall be completed no later than four weeks prior to the date of expiry.
 - (b) In the event of an election requiring to be held because of a resignation or death of the respective members of the Board the procedures set out shall be completed no later than eight weeks after the vacancy occurs. The eight weeks excludes College vacation periods to ensure that all staff have the opportunity to participate.

Appointment of Teaching (Curriculum) and Service/Support (Non-Curriculum) Staff Members to the Board of Management of Ayrshire College

Sample Advertisement

As you may be aware, membership of the College Board of Management includes two places for College staff members (one curriculum and one support). The position of [**teaching / service/support**] member will become vacant on [**date**]. The Board has a strong commitment to equality and diversity and particularly welcomes Board members from those groups under-represented on Scotland's public bodies.

Staff members of the Board of Management are full members and have the same rights, responsibilities and obligations as other Board members. Staff members are **not** there as "representatives" of the staff, they are there to bring knowledge and expertise of the day-to-day workings of the College into Board meetings, processes and decision-making.

Nominations are sought to fill the current vacancy. Nominations must come from current members of [**teaching / service/support**] staff. Each nomination will require a proposer and seconder, both also current members of [**teaching / service/support**] staff. The nominee must also prepare a support statement, which should give a brief outline of why they should be elected to the Board. This will be used in the event of an election being required.

Where only one nomination is received, that nominee will automatically be elected to the Board. Where more than one nomination is received, an election by electronic secret ballot will take place and the nominee receiving the most votes shall become elected to the Board. In the event of a tie the nominee shall be determined by the drawing of cards or lots.

The term of appointment shall be for a period of four years.

Information about the role and on the role of a Board member is available from the Board Governance Professional.

Nomination forms can be found

Should you require any additional information or have any queries, the Board Governance Professional would be happy to meet with you:

**Board Governance Professional
Board of Management**

Appointment of Teaching (Curriculum) and Service/Support (Non-Curriculum) Staff Members to the Board of Management of Ayrshire College

Sample Nomination Form

We, the undersigned, wish to nominate:

Name:

Department:

For election as the ***[teaching / service/support]*** staff member of the Board of Management. Our nominee has agreed to stand for election, and has provided a supporting statement overleaf.

PROPOSER

Name:

Signed:

Department:

Date:

SECONDER

Name:

Signed:

Department:

Date:

Notes

- All proposers, seconders and nominees must be eligible to stand for election as the ***[teaching / service/support]*** staff member on the Board of Governors.
- Proposers can only propose one person and cannot be a nominee or seconder.
- Seconders can only second the nomination of one person and cannot themselves be a nominee or proposer,
- Nominees cannot act as a proposer or seconder to any other nominee.
- Proposers, seconders and nominees shall be entitled to one vote in the event that an election is required.
- Return Form to: ***[insert name and address]*** by ***[insert date and time]***. Late returns shall not be accepted.

**Nominee's Supporting Statement
(Maximum 150 Words)**

I accept the nomination to stand for election as the ***[teaching / service/support]*** staff member of the Ayrshire College Board of Management.

Name:

Signed:

Department:

Date:

Section 8: Standing Orders: Board Members' Letter of Appointment and Terms & Conditions

TEACHING STAFF (REGIONAL COLLEGE)

Date

Name & Address

Dear

Board of Management of [name of college]

I am pleased to confirm your appointment to the Board further to your election by the teaching staff of the College in accordance with the Further and Higher Education (Scotland) Act 1992 ("the 1992 Act").

[Optional paragraph for college to add welcome].

The period of your appointment will be for four years from [date] to [date], subject to the provisions of the 1992 Act and to the Terms and Conditions appended to this letter.

As a Board Member, you will have a vital role to play in leading the College, setting its strategy and values and ensuring that effective management and controls are in place to meet its core educational purpose and statutory obligations.

Staff members of the Board of Management are full members and have the same rights, responsibilities and obligations as other Board members. Staff members are not there as 'representatives' of the staff, they are there to bring knowledge and expertise of the day-to-day workings of the College into Board meetings, processes and decision-making.

Board members are expected to attend meetings regularly and are normally also invited to join at least one Board Committee. This brings with it a time commitment which is expected to be a minimum of [number] days per annum.

I should be grateful if you would confirm your acceptance of the appended Terms and Conditions by signing and dating the attached copy of this letter, and returning this to the Board Governance Professional at the following address:

[address]

Please also complete the Register of Interests form which is enclosed and return this to me as soon as possible.

As a member of the Board, you must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme. Please advise if you already have disclosure through this scheme or if this is the first time you have applied, as the form you are required to complete is different depending on your current status with the scheme.

Once I have received confirmation of your acceptance, you will be provided with an induction pack, and I will arrange induction meetings for you with the [Chair, Principal, Board Governance Professional etc.

In the meantime, if you have any queries or require any further information please do not hesitate to contact me.

I look forward to meeting you again.

Yours sincerely

[Name]
Regional Chair

.....
I accept appointment to the office of member of the Board of Management of [name of college] on the terms and conditions set out below.

Signature:

.....

Date:

.....

Full name (in block capitals):

.....

[name of college] Board of Management

Terms and Conditions of Office for Teaching Staff Board Members

- 1) As a Member you are one of a number of office holders that constitute the Board. Decisions of the Board are collective decisions. The Board is accountable to the Scottish Funding Council (SFC) for its decisions and actions in relation to any funding it receives from the SFC. You are not a servant or agent of the Crown or a civil servant and do not have any status, immunity or privilege of the Crown.
- 2) You are individually accountable to the Board for your actions and decisions of office.
- 3) Any information which you receive or obtain as a member of the Board shall be treated as confidential, and shall be held and treated in accordance with the College's Code of Conduct for Board members.
- 4) You will provide active and effective leadership, direction, support and guidance to ensure that the Board delivers, and is committed to delivering, its functions effectively and efficiently. The main functions of the Board (including its powers and duties) are as set out in the Further and Higher Education (Scotland) Act 1992 ("the 1992 Act") and the Further and Higher Education (Scotland) Act 2005, as amended (the "2005 Act").
- 5) Your main duties as a board member are as set out in the Guide for Board Members in the College Sector⁴. Any individual objectives applying to your office will be agreed with you.

⁴ Links to referenced documents are provided at the end of these Terms and Conditions.

- 6) [The Board maintains governors', directors' and officers' liability insurance in respect of its members and employees. The insurance policy covers legal claims made against members of the Board in their capacity as Board members.] As a member of the Board you will comply with any and all requirements of any insurance policy which the Board maintains in respect of liability accruing to its officers, directors and members. Failure to comply with the requirements of any such insurance policy may result in insurance cover being withdrawn or otherwise made unavailable.
- 7) You must undertake induction when taking up this appointment, including participation in the College Development Network's induction programme for board members and any training required in relation to your committee membership. Thereafter, you must undertake appropriate ongoing training and development in respect of your governance role.
- 8) You must seek to ensure that the Board complies with all legislative and other requirements, including compliance with the SFC Financial Memorandum with the College Sector, the Board's Outcome Agreement with the SFC, the Scottish Public Finance Manual (where appropriate) and the Code of Good Governance for Scotland's Colleges; and has regard to Ministerial guidance on appointments.
- 9) The College is a registered charity and along with the other Board members you are subject to the general duties of charity trustees set out in section 66 of the Charities and Trustee Investment (Scotland) Act 2005.
- 10) You must comply with the Board's Code of Conduct for Members, adopted under the Ethical Standards in Public Life etc. (Scotland) Act 2000.
- 11) You are not entitled to receive remuneration as a board member.
- 12) You are entitled to be reimbursed by the Board for expenses as the Board may determine⁵ to be necessary or expedient for the proper discharge of your functions, being mindful of appropriate expenditure limits and the need to ensure value for public money.
- 13) You are entitled, in performing your functions, to receive from the Board such allowances as the Board may determine.
- 14) As a member of the Board you will be subject to appraisal of your performance, conducted at least annually, normally by the chair of the Board. Your performance will be appraised against (a) the role of board members set out in Guide for Board Members in the College Sector (b) any individual objectives applying to your office, as agreed with you, and (c) the extent to which you contribute to ensuring that the Board as a whole delivers its functions effectively and efficiently, in accordance with its vision, strategic direction, educational character, values and ethos. Your appraisal reports may be used by the Board

⁵ Both expenses and allowances are calculated by reference to such criteria as the Scottish Ministers may determine in accordance with section 12(5) of the 1992 Act.

and the Scottish Ministers in assessing your suitability for extension or re-appointment.

- 15) You will be removed from office by the Board (by giving notice to you in writing) in the circumstances set out in paragraph 5B(1) of Schedule 2 to the 1992 Act.
- 16) Where it appears to the Scottish Ministers that there has been Board failure by the Board of managing the College in terms of section 24(1) of the 1992 Act, you may be removed from office by the Scottish Ministers by order under section 24(2) of the 1992 Act.
- 17) You will be removed from office by the Scottish Ministers under paragraph 5B(3) of Schedule 2 to the 1992 Act (by giving you notice in writing), if you have been removed from office under section 24 of the 1992 Act or under section 23Q of the 2005 Act.
- 18) Where you cease to be a member of the teaching staff at the College prior to the end of your period of appointment as a member of the Board, you will be deemed to have vacated office.
- 19) You must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme.
- 20) You will hold office for the period set out in your letter of appointment or to such earlier date if you are removed or resign from office. You may resign at any time by giving notice in writing to the Board.
- 21) The Board may, by giving you one month's written notice, change these terms and conditions as necessary or expedient (or as agreed with you), but not the period of office.
- 22) At the end of your current period of office, your reappointment is subject to a further election in which all teaching staff of the college will be eligible to vote.

NON-TEACHING STAFF (REGIONAL COLLEGE)

Date

Name & Address

Dear

Board of Management of [name of college]

I am pleased to confirm your appointment to the Board further to your election by the non-teaching staff of the College in accordance with the Further and Higher Education (Scotland) Act 1992 (“the 1992 Act”).

[Optional paragraph for college to add welcome].

The period of your appointment will be for four years from [date] to [date] (inclusive) subject to the provisions of the 1992 Act and to the Terms and Conditions appended to this letter.

As a Board Member, you will have a vital role to play in leading the College, setting its strategy and values and ensuring that effective management and controls are in place to meet its core educational purpose and statutory obligations.

Staff members of the Board of Management are full members and have the same rights, responsibilities and obligations as other Board members. Staff members are not there as ‘representatives’ of the staff, they are there to bring knowledge and expertise of the day-to-day workings of the College into Board meetings, processes and decision-making.

Board members are expected to attend meetings regularly and are normally also invited to join at least one Board Committee. This brings with it a time commitment which is expected to be a minimum of [number] days per annum.

I should be grateful if you would confirm your acceptance of the appended Terms and Conditions by signing and dating the attached copy of this letter, and returning this to the Board Governance Professional at the following address:

[address]

Please also complete the Register of Interests form which is enclosed and return this to me as soon as possible.

As a member of the Board, you must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme. Please advise if you already have disclosure through this scheme or if this is the first time you have applied, as the form you are required to complete is different depending on your current status with the scheme.

Once I have received confirmation of your acceptance, you will be provided with an induction pack, and I will arrange induction meetings for you with **the [Chair, Principal, and Board Governance Professional, etc. as appropriate]**.

In the meantime, if you have any queries or require any further information please do not hesitate to contact me.

I look forward to meeting you again.

Yours sincerely

[Name]
Regional Chair

.....
I accept appointment to the office of member of the Board of Management of [name of college] on the terms and conditions set out below.

Signature:

.....

Date:

.....

Full name (in block capitals):

.....

[name of college] Board of Management

Terms and Conditions of Office for Non-Teaching Staff Board Members

- 1) As a Member you are one of a number of office holders that constitute the Board. Decisions of the Board are collective decisions. The Board is accountable to the Scottish Funding Council (SFC) for its decisions and actions in relation to any funding it receives from the SFC. You are not a servant or agent of the Crown or a civil servant, and do not have any status, immunity or privilege of the Crown.
- 2) You are individually accountable to the Board for your actions and decisions of office.
- 3) Any information which you receive or obtain as a member of the Board shall be treated as confidential, and shall be held and treated in accordance with the College's Code of Conduct for Board members.
- 4) You will provide active and effective leadership, direction, support and guidance to ensure that the Board delivers, and is committed to delivering, its functions effectively and efficiently. The main functions of the Board (including its powers and duties) are as set out in the Further and Higher Education (Scotland) Act 1992 ("the 1992 Act") and the Further and Higher Education (Scotland) Act 2005, as amended (the "2005 Act").

- 5) Your main duties as a board member are as set out in the Guide for Board Members in the College Sector⁶. Any individual objectives applying to your office will be agreed with you.
- 6) [The Board maintains governors', directors' and officers' liability insurance in respect of its members and employees. The insurance policy covers legal claims made against members of the Board in their capacity as Board members.] As a member of the Board you will comply with any and all requirements of any insurance policy which the Board maintains in respect of liability accruing to its officers, directors and members. Failure to comply with the requirements of any such insurance policy may result in insurance cover being withdrawn or otherwise made unavailable.
- 7) You must undertake induction when taking up this appointment, including participation in the College Development Network's induction programme for board members and any training required in relation to your committee membership. Thereafter, you must undertake appropriate ongoing training and development in respect of your governance role.
- 8) You must seek to ensure that the Board complies with all legislative and other requirements, including compliance with the SFC Financial Memorandum with the College Sector, the Board's Outcome Agreement with the SFC, the Scottish Public Finance Manual (where appropriate) and the Code of Good Governance for Scotland's Colleges; and has regard to Ministerial guidance on appointments.
- 9) The College is a registered charity and along with the other Board members you are subject to the general duties of charity trustees set out in section 66 of the Charities and Trustee Investment (Scotland) Act 2005.
- 10) You must comply with the Board's Code of Conduct for Members, adopted under the Ethical Standards in Public Life etc. (Scotland) Act 2000.
- 11) You are not entitled to receive remuneration as a board member.
- 12) You are entitled to be reimbursed by the Board for expenses as the Board may determine⁷ to be necessary or expedient for the proper discharge of your functions, being mindful of appropriate expenditure limits and the need to ensure value for public money.
- 13) You are entitled, in performing your functions, to receive from the Board such allowances as the Board may determine.
- 14) As a member of the Board you will be subject to appraisal of your performance, conducted at least annually, normally by the chair of the Board. Your performance will be appraised against (a) the role of board members set out in

⁶ Links to referenced documents are provided at the end of these Terms and Conditions.

⁷ Both expenses and allowances are calculated by reference to such criteria as the Scottish Ministers may determine in accordance with section 12(5) of the 1992 Act.

Guide for Board Members in the College Sector (b) any individual objectives applying to your office, as agreed with you, and (c) the extent to which you contribute to ensuring that the Board as a whole delivers its functions effectively and efficiently, in accordance with its vision, strategic direction, educational character, values and ethos. Your appraisal reports may be used by the Board and the Scottish Ministers in assessing your suitability for extension or re-appointment.

- 15) You will be removed from office by the Board (by giving notice to you in writing) in the circumstances set out in paragraph 5B(1) of Schedule 2 to the 1992 Act.
- 16) Where it appears to the Scottish Ministers that there has been Board failure by the Board of managing the College in terms of section 24(1) of the 1992 Act, you may be removed from office by the Scottish Ministers by order under section 24(2) of the 1992 Act.
- 17) You will be removed from office by the Scottish Ministers under paragraph 5B(3) of Schedule 2 to the 1992 Act (by giving you notice in writing), if you have been removed from office under section 24 of the 1992 Act or under section 23Q of the 2005 Act.
- 18) Where you cease to be a member of the non-teaching staff at the College prior to the end of your period of appointment as a member of the Board, you will be deemed to have vacated office.
- 19) You must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme.
- 20) You will hold office for the period set out in your letter of appointment or to such earlier date if you are removed or resign from office. You may resign at any time by giving notice in writing to the Board.
- 21) The Board may, by giving you one month's written notice, change these terms and conditions as necessary or expedient (or as agreed with you), but not the period of office.
- 22) At the end of your current period of office, your reappointment is subject to a further election in which all non-teaching staff of the college will be eligible to vote.

STUDENT (REGIONAL COLLEGE)

Date

Name & Address

Dear

Board of Management of [name of college]

I am pleased to confirm your appointment to the Board further to your nomination by the Students' Association in accordance with the Further and Higher Education (Scotland) Act 1992 ("the 1992 Act") and the Education Act 1994.

[optional paragraph for college to add welcome].

The period of your appointment will be for one year from 1 September [insert year], subject to the provisions of the 1992 Act and to the Terms and Conditions appended to this letter.

As a Board Member, you will have a vital role to play in leading the College, setting its strategy and values and ensuring that effective management and controls are in place to meet its core educational purpose and statutory obligations.

Student members of the Board of Management are full members and have the same rights, responsibilities and obligations as other Board members. Student members are not there as 'representatives' of the student body; they are there to bring their knowledge, expertise and a student perspective to Board meetings, processes and decision-making.

Board members are expected to attend meetings regularly and are normally also invited to join at least one Board Committee. This brings with it a time commitment which is expected to be a minimum of [number] days per annum.

I should be grateful if you would confirm your acceptance of the appended Terms and Conditions by signing and dating the attached copy of this letter, and returning this to the Board Governance Professional at the following address:

[address]

Please also complete the Register of Interests form which is enclosed and return this to me as soon as possible.

As a member of the Board, you must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme. Please advise if you already have disclosure through this scheme or if this is the first time you have applied, as the form you are required to complete is different depending on your current status with the scheme.

Once I have received confirmation of your acceptance, you will be provided with an induction pack, and I will arrange induction meetings for you with the [Chair, Principal, and Board Governance Professional, etc. as appropriate].

In the meantime, if you have any queries or require any further information please do not hesitate to contact me.

I look forward to meeting you again.

Yours sincerely

[Name]
Regional Chair

.....
I accept appointment to the office of member of the Board of Management of [name of college] on the terms and conditions set out below.

Signature:

.....

Date:

.....

Full name (in block capitals):

.....

[name of college] Board of Management

Terms and Conditions of Office for Student Board Members

- 1) As a Member you are one of a number of office holders that constitute the Board. Decisions of the Board are collective decisions. The Board is accountable to Scottish Funding Council (SFC) for its decisions and actions in relation to any funding it receives from the SFC. You are not a servant or agent of the Crown or a civil servant, and do not have any status, immunity or privilege of the Crown.
- 2) You are individually accountable to the Board for your actions and decisions of office.
- 3) Any information which you receive or obtain as a member of the Board shall be treated as confidential, and shall be held and treated in accordance with the College's Code of Conduct for Board members.
- 4) You will provide active and effective leadership, direction, support and guidance to ensure that the Board delivers, and is committed to delivering, its functions effectively and efficiently. The main functions of the Board (including its powers and duties) are as set out in the Further and Higher Education (Scotland) Act ("the 1992 Act) and the Further and Higher Education (Scotland) Act 2005, as amended (the "2005 Act").

- 5) Your main duties as a board member are as set out in the Guide for Board Members in the College Sector⁸. Any individual objectives applying to your office will be agreed with you.
- 6) [The Board maintains governors', directors' and officers' liability insurance in respect of its members and employees. The insurance policy covers legal claims made against members of the Board in their capacity as Board members.] As a member of the Board you will comply with any and all requirements of any insurance policy which the Board maintains in respect of liability accruing to its officers, directors and members. Failure to comply with the requirements of any such insurance policy may result in insurance cover being withdrawn or otherwise made unavailable.
- 7) You must undertake induction when taking up this appointment, including participation in the College Development Network's induction programme for board members and any training required in relation to your committee membership. Thereafter, you must undertake appropriate ongoing training and development in respect of your governance role.
- 8) You must seek to ensure that the Board complies with all legislative and other requirements, including compliance with the SFC Financial Memorandum with the College Sector, the Board's Outcome Agreement with the SFC, the Scottish Public Finance Manual (where appropriate) and the Code of Good Governance for Scotland's Colleges; and has regard to Ministerial guidance on appointments.
- 9) The College is a registered charity and along with the other Board members you are subject to the general duties of charity trustees set out in section 66 of the Charities and Trustee Investment (Scotland) Act 2005.
- 10) You must comply with the Board's Code of Conduct for Members, adopted under the Ethical Standards in Public Life etc. (Scotland) Act 2000.
- 11) You are not entitled to receive remuneration as a board member.
- 12) You are entitled to be reimbursed by the Board for expenses as the Board may determine⁹ to be necessary or expedient for the proper discharge of your functions, being mindful of appropriate expenditure limits and the need to ensure value for public money.
- 13) You are entitled, in performing your functions, to receive from the Board such allowances as the Board may determine.
- 14) As a member of the Board you will be subject to appraisal of your performance, conducted at least annually, normally by the chair of the Board. Your performance will be appraised against (a) the role of board members set out in

⁸ Links to referenced documents are provided at the end of these Terms and Conditions.

⁹ Both expenses and allowances are calculated by reference to such criteria as the Scottish Ministers may determine in accordance with section 12(5) of the 1992 Act.

Guide for Board Members in the College Sector (b) any individual objectives applying to your office, as agreed with you, and (c) the extent to which you contribute to ensuring that the Board as a whole delivers its functions effectively and efficiently, in accordance with its vision, strategic direction, educational character, values and ethos. Your appraisal reports may be used by the Board and the Scottish Ministers in assessing your suitability for extension or re-appointment.

- 15) You will be removed from office by the Board (by giving notice to you in writing) in the circumstances set out in paragraph 5B(1) of Schedule 2 to the 1992 Act.
- 16) Where it appears to the Scottish Ministers that there has been Board failure by the Board of managing the College in terms of section 24(1) of the 1992 Act, you may be removed from office by the Scottish Ministers by order under section 24(2) of the 1992 Act.
- 17) You will be removed from office by the Scottish Ministers under paragraph 5B(3) of Schedule 2 to the 1992 Act (by giving you notice in writing), if you have been removed from office under section 24 of the 1992 Act or under section 23Q of the 2005 Act.
- 18) Where you cease to be a student of the College prior to the end of your period of appointment as a member of the Board, you will be deemed to have vacated office.
- 19) You must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme.
- 20) You will hold office for the period set out in your letter of appointment or to such earlier date if you are removed or resign from office. You may resign at any time by giving notice in writing to the Board.
- 21) The Board may, by giving you one month's written notice, change these terms and conditions as necessary or expedient (or as agreed with you), but not the period of office.
- 22) At the end of your current period of office, your reappointment is subject to nomination by the Students' Association in accordance with the 1992 Act and Section 22 of the Education Act 1994.

NON-EXECUTIVE (REGIONAL COLLEGE)

Date

Name & Address

Dear

Board of Management of [name of college]

I am pleased to confirm your offer of appointment to the Board further to the approval of the Chair of the Board and Scottish Ministers, as required under the Further and Higher Education (Scotland) Act 1992, paragraph 3(2)(f) of Schedule 2, (“the 1992 Act”).

[Optional paragraph for college to add a welcome].

The period of your appointment will be from [date] to [date] (inclusive), subject to the provisions of the 1992 Act and to the Terms and Conditions appended to this letter.

As a Board Member, you will have a vital role to play in leading the College, setting its strategy and values and ensuring that effective management and controls are in place to meet its core educational purpose and statutory obligations.

[College name] is a major employer in the region, and the Board works closely with staff and students, employers, the Scottish Government and its agencies, and other stakeholders throughout the region and beyond.

Board members are expected to attend meetings regularly, and are normally also invited to join at least one Board Committee. This brings with it a time commitment which is expected to be a minimum of [number] days per annum.

I should be grateful if you would confirm your acceptance of this offer of appointment to the Board on the appended Terms and Conditions by signing and dating the attached copy of this letter, and returning this to the Board Governance Professional at the following address:

[address]

Please also complete the Register of Interests form which is enclosed and return this to me as soon as possible.

As a member of the Board, you must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme. Please advise if you already have disclosure through this scheme or if this is the first time you have applied, as the form you are required to complete is different depending on your current status with the scheme.

Once I have received confirmation of your acceptance, you will be provided with an induction pack, and I will arrange induction meetings for you with the **[Chair, Principal, and Board Governance Professional, etc. as appropriate]**.

In the meantime, if you have any queries or require any further information please do not hesitate to contact me.

I look forward to meeting you again.

Yours sincerely

[Name]
Regional Chair

.....

I accept appointment to the office of member of the Board of Management of [name of college] on the terms and conditions set out below.

Signature:

.....

Date:

.....

Full name (in block capitals):

.....

[name of college] Board of Management

Terms and Conditions of Office for Non-Executive Board Members

- 1) As a Member you are one of a number of office holders that constitute the Board. Decisions of the Board are collective decisions. The Board is accountable to the Scottish Funding Council (SFC) for its decisions and actions in relation to any funding it receives from the SFC. You are not a servant or agent of the Crown or a civil servant, and do not have any status, immunity or privilege of the Crown.
- 2) You are individually accountable to the Board for your actions and decisions of office.
- 3) Any information which you receive or obtain as a member of the Board shall be treated as confidential, and shall be held and treated in accordance with the College’s Code of Conduct for Board members.
- 4) You will provide active and effective leadership, direction, support and guidance to ensure that the Board delivers, and is committed to delivering, its functions

effectively and efficiently. The main functions of the Board (including its powers and duties) are as set out in the Further and Higher Education (Scotland) Act 1992 (“the 1992 Act”) and the Further and Higher Education (Scotland) Act 2005, as amended (the “2005 Act”).

- 5) Your main duties as a board member are as set out in the Guide for Board Members in the College Sector¹⁰. Any individual objectives applying to your office will be agreed with you.
- 6) [The Board maintains governors’, directors’ and officers’ liability insurance in respect of its members and employees. The insurance policy covers legal claims made against members of the Board in their capacity as Board members.] As a member of the Board you will comply with any and all requirements of any insurance policy which the Board maintains in respect of liability accruing to its officers, directors and members. Failure to comply with the requirements of any such insurance policy may result in insurance cover being withdrawn or otherwise made unavailable.
- 7) You must undertake induction when taking up this appointment, including participation in the College Development Network’s induction programme for board members and any training required in relation to your committee membership. Thereafter, you must undertake appropriate ongoing training and development in respect of your governance role.
- 8) You must seek to ensure that the Board complies with all legislative and other requirements, including compliance with the SFC Financial Memorandum with the College Sector, the Board’s Outcome Agreement with the SFC, the Scottish Public Finance Manual (where appropriate) and the Code of Good Governance for Scotland’s Colleges; and has regard to Ministerial guidance on appointments.
- 9) The College is a registered charity and along with the other Board members you are subject to the general duties of charity trustees set out in section 66 of the Charities and Trustee Investment (Scotland) Act 2005.
- 10) You must comply with the Board’s Code of Conduct for Members, adopted under the Ethical Standards in Public Life etc. (Scotland) Act 2000.
- 11) You are not entitled to receive remuneration as a board member.
- 12) You are entitled to be reimbursed by the Board for expenses as the Board may determine¹¹ to be necessary or expedient for the proper discharge of your functions, being mindful of appropriate expenditure limits and the need to ensure value for public money.

¹⁰ Links to referenced documents are provided at the end of these Terms and Conditions.

¹¹ Both expenses and allowances are calculated by reference to such criteria as the Scottish Ministers may determine in accordance with section 12(5) of the 1992 Act.

- 13) You are entitled, in performing your functions, to receive from the Board such allowances as the Board may determine.
- 14) As a member of the Board you will be subject to appraisal of your performance, conducted at least annually, normally by the chair of the Board. Your performance will be appraised against (a) the role of board members set out in Guide for Board Members in the College Sector (b) any individual objectives applying to your office, as agreed with you, and (c) the extent to which you contribute to ensuring that the Board as a whole delivers its functions effectively and efficiently, in accordance with its vision, strategic direction, educational character, values and ethos. Your appraisal reports may be used by the Board and the Scottish Ministers in assessing your suitability for extension or re-appointment.
- 15) You will be removed from office by the Board (by giving notice to you in writing) in the circumstances set out in paragraph 5B(1) of Schedule 2 to the 1992 Act.
- 16) Where it appears to the Scottish Ministers that there has been Board failure by the Board of managing the College in terms of section 24(1) of the 1992 Act, you may be removed from office by the Scottish Ministers by order under section 24(2) of the 1992 Act.
- 17) You will be removed from office by the Scottish Ministers under paragraph 5B(3) of Schedule 2 to the 1992 Act (by giving you notice in writing), if you have been removed from office under section 24 of the 1992 Act or under section 23Q of the 2005 Act.
- 18) You must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme.
- 19) You will hold office for the period set out in your letter of appointment or to such earlier date if you are removed or resign from office. You may resign at any time by giving notice in writing to the Board.
- 20) The Board may, by giving you one month's written notice, change these terms and conditions as necessary or expedient (or as agreed with you), but not the period of office.
- 21) At the end of your current period of office, the Board may extend your appointment for a single period of up to four years. Any such extension will in part be conditional on evidence of satisfactory performance and will require the approval of the Chair of the Board and Scottish Ministers.

Links to Referenced Documents

Code of Good Governance for Scotland's Colleges

www.cdn.ac.uk/wp-content/uploads/2016/10/Code-of-Good-Governance-for-Scotlands-Colleges-August-2016.pdf

Guide for Board Members in the College Sector

<http://www.collegedevelopmentnetwork.ac.uk/wp-content/uploads/2016/02/College-Board-Member-Guide-2015.pdf>

SFC Financial Memorandum with the College Sector

http://www.sfc.ac.uk/web/FILES/Guidance_Governance/Financial_Memorandum_with_the_College_Sector_-_1_December_2014.pdf

Scottish Public Finance Manual

<http://www.gov.scot/Topics/Government/Finance/spfm/Intro>

[College Website](#)

Ayrshire College Statement of Ambition, Strategic Objectives

Regional Outcome Agreement

College Strategies, Management Accounts and Performance reports

[Board of Management](#)

Board of Management, Board of Management documents and Senior Leadership Team

Link to College Development Network Governance Hub

www.cdn.ac.uk/projects/governance-leadership-and-management/governance/

Ethical Standards in Public Life etc. (Scotland) Act 2000

[Ethical Standards in Public Life etc. \(Scotland\) Act 2000](#)

Board Responsibilities and Standing Orders

[Board of Management Documents](#)

(Also available to Board Members on Admin Control)

Ayrshire College Board of Management Code of Conduct

<https://www1.ayrshire.ac.uk/about-us/management-team/board-of-management-documents/>

TRADE UNION NOMINATED TEACHING STAFF (REGIONAL COLLEGE)

Date

Name & Address

Dear

Board of Management of [name of college]

I am pleased to confirm your appointment to the Board further to your nomination by the teaching staff recognised trade unions of the College in accordance with the Further and Higher Education (Scotland) Act 1992 (“the 1992 Act”).

[Optional paragraph for college to add welcome].

The period of your appointment will be for four years from [date] to [date], subject to the provisions of the 1992 Act and to the Terms and Conditions appended to this letter.

As a Board Member, you will have a vital role to play in leading the College, setting its strategy and values and ensuring that effective management and controls are in place to meet its core educational purpose and statutory obligations.

Trade union nominated members of the Board of Management are full members and have the same rights, responsibilities and obligations as other Board members. Trade union nominated members are not there as ‘representatives’ of the trade union, they are there to bring knowledge and expertise of the day-to-day workings of the College into Board meetings, processes and decision-making.

Board members are expected to attend meetings regularly and are normally also invited to join at least one Board Committee. This brings with it a time commitment which is expected to be a minimum of [number] days per annum.

I should be grateful if you would confirm your acceptance of the appended Terms and Conditions by signing and dating the attached copy of this letter, and returning this to the Governance Professional at the following address:

[address]

Please also complete the Register of Interests form which is enclosed and return this to me as soon as possible.

As a member of the Board, you must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme. Please advise if you already have disclosure through this scheme or if this is the first time you have applied, as the form you are required to complete is different depending on your current status with the scheme.

Once I have received confirmation of your acceptance, you will be provided with an induction pack, and I will arrange induction meetings for you with the **[Chair, Principal, Governance Professional etc.**

In the meantime, if you have any queries or require any further information please do not hesitate to contact me.

I look forward to meeting you again.

Yours sincerely

[Name]
Regional Chair

.....
I accept appointment to the office of member of the Board of Management of [name of college] on the terms and conditions set out below.

Signature:

.....

Date:

.....

Full name (in block capitals):

.....

[name of college] Board of Management

Terms and Conditions of Office for Trade Union Nominated Teaching Staff Board Members

- 23) As a Member you are one of a number of office holders that constitute the Board. Decisions of the Board are collective decisions. The Board is accountable to the Scottish Funding Council (SFC) for its decisions and actions in relation to any funding it receives from the SFC. You are not a servant or agent of the Crown or a civil servant and do not have any status, immunity or privilege of the Crown.
- 24) You are individually accountable to the Board for your actions and decisions of office.
- 25) Any information which you receive or obtain as a member of the Board shall be treated as confidential, and shall be held and treated in accordance with the College's Code of Conduct for Board members.
- 26) You will provide active and effective leadership, direction, support and guidance to ensure that the Board delivers, and is committed to delivering, its functions

effectively and efficiently. The main functions of the Board (including its powers and duties) are as set out in the Further and Higher Education (Scotland) Act 1992 (“the 1992 Act”) and the Further and Higher Education (Scotland) Act 2005, as amended (the “2005 Act”).

- 27) Your main duties as a board member are as set out in the Guide for Board Members in the College Sector¹². Any individual objectives applying to your office will be agreed with you.
- 28) [The Board maintains governors’, directors’ and officers’ liability insurance in respect of its members and employees. The insurance policy covers legal claims made against members of the Board in their capacity as Board members.] As a member of the Board you will comply with any and all requirements of any insurance policy which the Board maintains in respect of liability accruing to its officers, directors and members. Failure to comply with the requirements of any such insurance policy may result in insurance cover being withdrawn or otherwise made unavailable.
- 29) You must undertake induction when taking up this appointment, including participation in the College Development Network’s induction programme for board members and any training required in relation to your committee membership. Thereafter, you must undertake appropriate ongoing training and development in respect of your governance role.
- 30) You must seek to ensure that the Board complies with all legislative and other requirements, including compliance with the SFC Financial Memorandum with the College Sector, the Board’s Outcome Agreement with the SFC, the Scottish Public Finance Manual (where appropriate) and the Code of Good Governance for Scotland’s Colleges; and has regard to Ministerial guidance on appointments.
- 31) The College is a registered charity and along with the other Board members you are subject to the general duties of charity trustees set out in section 66 of the Charities and Trustee Investment (Scotland) Act 2005.
- 32) You must comply with the Board’s Code of Conduct for Members, adopted under the Ethical Standards in Public Life etc. (Scotland) Act 2000.
- 33) You are not entitled to receive remuneration as a board member.
- 34) You are entitled to be reimbursed by the Board for expenses as the Board may determine¹³ to be necessary or expedient for the proper discharge of your functions, being mindful of appropriate expenditure limits and the need to ensure value for public money.

¹² Links to referenced documents are provided at the end of these Terms and Conditions.

¹³ Both expenses and allowances are calculated by reference to such criteria as the Scottish Ministers may determine in accordance with section 12(5) of the 1992 Act.

- 35) You are entitled, in performing your functions, to receive from the Board such allowances as the Board may determine.
- 36) As a member of the Board you will be subject to appraisal of your performance, conducted at least annually, normally by the chair of the Board. Your performance will be appraised against (a) the role of board members set out in Guide for Board Members in the College Sector (b) any individual objectives applying to your office, as agreed with you, and (c) the extent to which you contribute to ensuring that the Board as a whole delivers its functions effectively and efficiently, in accordance with its vision, strategic direction, educational character, values and ethos. Your appraisal reports may be used by the Board and the Scottish Ministers in assessing your suitability for extension or re-appointment.
- 37) You will be removed from office by the Board (by giving notice to you in writing) in the circumstances set out in paragraph 5B(1) of Schedule 2 to the 1992 Act.
- 38) Where it appears to the Scottish Ministers that there has been Board failure by the Board of managing the College in terms of section 24(1) of the 1992 Act, you may be removed from office by the Scottish Ministers by order under section 24(2) of the 1992 Act.
- 39) You will be removed from office by the Scottish Ministers under paragraph 5B(3) of Schedule 2 to the 1992 Act (by giving you notice in writing), if you have been removed from office under section 24 of the 1992 Act or under section 23Q of the 2005 Act.
- 40) Where you cease to be a member of the teaching staff at the College prior to the end of your period of appointment as a member of the Board, you will be deemed to have vacated office.
- 41) You must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme.
- 42) You will hold office for the period set out in your letter of appointment or to such earlier date if you are removed or resign from office. You may resign at any time by giving notice in writing to the Board.
- 43) The Board may, by giving you one month's written notice, change these terms and conditions as necessary or expedient (or as agreed with you), but not the period of office.
- 44) At the end of your current period of office, your reappointment is subject to a further nomination by the recognised trade unions of the College.

Links to Referenced Documents

Guide for Board Members in the College Sector

<http://www.collegedevelopmentnetwork.ac.uk/wp-content/uploads/2016/02/College-Board-Member-Guide-2015.pdf>

SFC Financial Memorandum with the College Sector

<https://www.sfc.ac.uk/governance/institutional-sustainability-governance/institutional-sustainability-governance.aspx>

Regional Outcome Agreement

(insert link to college ROA)

Scottish Public Finance Manual

<http://www.gov.scot/Topics/Government/Finance/spfm/Intro>

Code of Good Governance for Scotland's Colleges

www.cdn.ac.uk/wp-content/uploads/2016/10/Code-of-Good-Governance-for-Scotlands-Colleges-August-2016.pdf

College Sector Board Appointments: 2014 Ministerial Guidance

<https://www.gov.scot/publications/college-board-appointments-guidance/>

Code of Conduct

(insert link to college's own version of Code of Conduct)

Link to College Development Network Governance Hub

<https://professionallearning.collegedevelopmentnetwork.ac.uk/>

TRADE UNION NOMINATED NON-TEACHING STAFF (REGIONAL COLLEGE)

Date

Name & Address

Dear

Board of Management of [name of college]

I am pleased to confirm your appointment to the Board further to your nomination by the non-teaching staff recognised trade unions of the College in accordance with the Further and Higher Education (Scotland) Act 1992 (“the 1992 Act”).

[Optional paragraph for college to add welcome].

The period of your appointment will be for four years from [date] to [date] (inclusive) subject to the provisions of the 1992 Act and to the Terms and Conditions appended to this letter.

As a Board Member, you will have a vital role to play in leading the College, setting its strategy and values and ensuring that effective management and controls are in place to meet its core educational purpose and statutory obligations.

Trade union nominated members of the Board of Management are full members and have the same rights, responsibilities and obligations as other Board members. Trade union nominated members are not there as ‘representatives’ of the trade union, they are there to bring knowledge and expertise of the day-to-day workings of the College into Board meetings, processes and decision-making.

Board members are expected to attend meetings regularly and are normally also invited to join at least one Board Committee. This brings with it a time commitment which is expected to be a minimum of [number] days per annum.

I should be grateful if you would confirm your acceptance of the appended Terms and Conditions by signing and dating the attached copy of this letter, and returning this to the Governance Professional at the following address:

[address]

Please also complete the Register of Interests form which is enclosed and return this to me as soon as possible.

As a member of the Board, you must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme. Please advise if you already have disclosure through this scheme or if this is the first time you have applied, as the form you are required to complete is different depending on your current status with the scheme.

Once I have received confirmation of your acceptance, you will be provided with an induction pack, and I will arrange induction meetings for you with **the [Chair, Principal, and Governance Professional, etc. as appropriate]**.

In the meantime, if you have any queries or require any further information please do not hesitate to contact me.

I look forward to meeting you again.

Yours sincerely

[Name]
Regional Chair

.....
I accept appointment to the office of member of the Board of Management of [name of college] on the terms and conditions set out below.

Signature:

.....

Date:

.....

Full name (in block capitals):

.....

[name of college] Board of Management

Terms and Conditions of Office for Trade Union Nominated Non-Teaching Staff Board Members

- 23) As a Member you are one of a number of office holders that constitute the Board. Decisions of the Board are collective decisions. The Board is accountable to the Scottish Funding Council (SFC) for its decisions and actions in relation to any funding it receives from the SFC. You are not a servant or agent of the Crown or a civil servant, and do not have any status, immunity or privilege of the Crown.
- 24) You are individually accountable to the Board for your actions and decisions of office.
- 25) Any information which you receive or obtain as a member of the Board shall be treated as confidential, and shall be held and treated in accordance with the College's Code of Conduct for Board members.
- 26) You will provide active and effective leadership, direction, support and guidance to ensure that the Board delivers, and is committed to delivering, its functions

effectively and efficiently. The main functions of the Board (including its powers and duties) are as set out in the Further and Higher Education (Scotland) Act 1992 (“the 1992 Act”) and the Further and Higher Education (Scotland) Act 2005, as amended (the “2005 Act”).

- 27) Your main duties as a board member are as set out in the Guide for Board Members in the College Sector¹⁴. Any individual objectives applying to your office will be agreed with you.
- 28) [The Board maintains governors’, directors’ and officers’ liability insurance in respect of its members and employees. The insurance policy covers legal claims made against members of the Board in their capacity as Board members.] As a member of the Board you will comply with any and all requirements of any insurance policy which the Board maintains in respect of liability accruing to its officers, directors and members. Failure to comply with the requirements of any such insurance policy may result in insurance cover being withdrawn or otherwise made unavailable.
- 29) You must undertake induction when taking up this appointment, including participation in the College Development Network’s induction programme for board members and any training required in relation to your committee membership. Thereafter, you must undertake appropriate ongoing training and development in respect of your governance role.
- 30) You must seek to ensure that the Board complies with all legislative and other requirements, including compliance with the SFC Financial Memorandum with the College Sector, the Board’s Outcome Agreement with the SFC, the Scottish Public Finance Manual (where appropriate) and the Code of Good Governance for Scotland’s Colleges; and has regard to Ministerial guidance on appointments.
- 31) The College is a registered charity and along with the other Board members you are subject to the general duties of charity trustees set out in section 66 of the Charities and Trustee Investment (Scotland) Act 2005.
- 32) You must comply with the Board’s Code of Conduct for Members, adopted under the Ethical Standards in Public Life etc. (Scotland) Act 2000.
- 33) You are not entitled to receive remuneration as a board member.
- 34) You are entitled to be reimbursed by the Board for expenses as the Board may determine¹⁵ to be necessary or expedient for the proper discharge of your functions, being mindful of appropriate expenditure limits and the need to ensure value for public money.

¹⁴ Links to referenced documents are provided at the end of these Terms and Conditions.

¹⁵ Both expenses and allowances are calculated by reference to such criteria as the Scottish Ministers may determine in accordance with section 12(5) of the 1992 Act.

- 35) You are entitled, in performing your functions, to receive from the Board such allowances as the Board may determine.
- 36) As a member of the Board you will be subject to appraisal of your performance, conducted at least annually, normally by the chair of the Board. Your performance will be appraised against (a) the role of board members set out in Guide for Board Members in the College Sector (b) any individual objectives applying to your office, as agreed with you, and (c) the extent to which you contribute to ensuring that the Board as a whole delivers its functions effectively and efficiently, in accordance with its vision, strategic direction, educational character, values and ethos. Your appraisal reports may be used by the Board and the Scottish Ministers in assessing your suitability for extension or re-appointment.
- 37) You will be removed from office by the Board (by giving notice to you in writing) in the circumstances set out in paragraph 5B(1) of Schedule 2 to the 1992 Act.
- 38) Where it appears to the Scottish Ministers that there has been Board failure by the Board of managing the College in terms of section 24(1) of the 1992 Act, you may be removed from office by the Scottish Ministers by order under section 24(2) of the 1992 Act.
- 39) You will be removed from office by the Scottish Ministers under paragraph 5B(3) of Schedule 2 to the 1992 Act (by giving you notice in writing), if you have been removed from office under section 24 of the 1992 Act or under section 23Q of the 2005 Act.
- 40) Where you cease to be a member of the non-teaching staff at the College prior to the end of your period of appointment as a member of the Board, you will be deemed to have vacated office.
- 41) You must be approved through the Disclosure Scotland Protecting Vulnerable Groups (PVG) scheme.
- 42) You will hold office for the period set out in your letter of appointment or to such earlier date if you are removed or resign from office. You may resign at any time by giving notice in writing to the Board.
- 43) The Board may, by giving you one month's written notice, change these terms and conditions as necessary or expedient (or as agreed with you), but not the period of office.
- 44) At the end of your current period of office, your reappointment is subject to a further nomination by the recognised trade unions of the College.

Links to Referenced Documents

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<http://www.collegedevelopmentnetwork.ac.uk/wp-content/uploads/2016/02/College-Board-Member-Guide-2015.pdf>

SFC Financial Memorandum with the College Sector

<https://www.sfc.ac.uk/governance/institutional-sustainability-governance/institutional-sustainability-governance.aspx>

Regional Outcome Agreement

(insert link to college ROA)

Scottish Public Finance Manual

<http://www.gov.scot/Topics/Government/Finance/spfm/Intro>

Code of Good Governance for Scotland's Colleges

www.cdn.ac.uk/wp-content/uploads/2016/10/Code-of-Good-Governance-for-Scotlands-Colleges-August-2016.pdf

College Sector Board Appointments: 2014 Ministerial Guidance

<https://www.gov.scot/publications/college-board-appointments-guidance/>

Code of Conduct

(insert link to college's own version of Code of Conduct)

Link to College Development Network Governance Hub

<https://professionallearning.collegedevelopmentnetwork.ac.uk/>

Board of Management

14 December 2023

Strategic Objective Reference: SO5 High performing college underpinned by excellence in stewardship and governance

Subject/Purpose: Committee Chair's Report - Learning Teaching and Quality Committee Meeting, 16th November 2023.

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

Appendices: No

1. Summary/Key Points

To provide the Board with a summary of significant items considered by the Learning Teaching and Quality Committee Meeting in advance of the approved minutes being submitted to the next Board meeting in March 2024.

2. Proposals and Recommendations

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

3. Associated Risks

N/A

4. Equality and Diversity Impact Assessment (if applicable)

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

5. Current Situation/Assessment

The Committee considered, noted or approved the following:

• **2023-24 First Impression Survey Analysis**

The Committee noted this jointly devised survey, between the Student Association and the Quality Enhancement team, had increased response rates, partly due to issuing via the MyCollege App, and being able to push notifications to the students. Results will now be distributed to each curriculum area for further analysis and action planning.

• **Student Association Report Q2**

The Committee noted the increased visibility of the Student Association across all 3 campuses, as well as visibility on social media. Also noted was the strengthened governance following recruitment of student officers; new

additional roles such as a Men's Officer & an English Speakers of Other Languages (ESOL) Officer; increased number of drop ins & new clubs; a successful Semester One Fund; 295 class ambassadors now in place, and finally 16 days of events and activity planned for November and December.

- **2023-24 Student Support Funds position update**

The Committee were updated regarding the current position, noting all applications had been processed for the start of term, with 99% having already been awarded. Attention was drawn to the positive decline in withdrawal rates, and more detailed information will be provided at the next meeting.

- **2024-25 Draft Curriculum Delivery Plan**

The Committee approved the draft plan and received a detailed presentation to help illustrate how the plan was formulated.

- **2023-24 Credit Activity Target Progress Report**

The Committee were updated on the current position, and also the projected position to year end, predicted to meet the core targets following successful recruitment to the Winter Start programmes.

- **2023-24 Apprenticeships and Work Based Learning Report**

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

- **2023-24 Corporate Risk Register (V2): LTCQ Extract**

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

- **Discussion around meeting frequency for next cycle**

The Committee agreed that four meetings should be retained for AY24/25 due to the volume of information and discussion planned across four agendas.

6. Proposals and Recommendations

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

7. Resource Implications

No further resource implications require to be noted.

8. Consultation/Input

Chair & Vice Chair LTQC, Board Governance Adviser.

Alison Sutherland
Chair, Learning, Teaching and Quality Committee
30 November 2023

This paper will be published on the College website.

Board of Management

14 December 2023

Strategic Objective Reference: SO5 High performing college underpinned by excellence in stewardship and governance

Subject/Purpose: Committee Chair's Report - Business, Resources and Infrastructure Committee Meeting, 21 November 2023.

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

Appendices: No

1. Summary/Key Points

To provide the Board with a summary of significant items considered by the Business, Resource and Infrastructure Committee meeting in advance of the approved minutes being submitted to the next Board meeting in March 2024.

2. Proposals and Recommendations

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

3. Associated Risks

N/A

4. Equality and Diversity Impact Assessment (if applicable)

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

1. Background

To provide the Board with a summary of significant items considered by the Business, Resource and Infrastructure Committee meeting in advance of the approved minutes being submitted to the Board meeting 28 March 2024.

2. Current Situation/Assessment

The Committee considered, noted or approved the following:

- **Transformation Projects Update**

The Committee received an update via shared presentation, had much discussion and offered supportive suggestions. The Committee approved the ongoing project plan and associated budget.

- **2022-23 Financial Statements**

The 2022-23 Financial Statements were recommended for approval to the Board.

- **2023-24 Management Accounts as at 31 October 2023**

The 2023-24 Management Accounts as at 31 October 2023 were recommended for approval to the Board.

- **2022-23 Annual Procurement Report**

The Annual Procurement Report was recommended for approval to the Board.

- **ICT Update Report**

The Committee noted the updated report including Licencing agreement improved, working with Microsoft partner organisation Pheonix, to support the increased use of MS Office 365 and PowerBI; Project to expand the number of access points from 220 to 442, which included upgrade of the cabling infrastructure; Successful implementation of Multi Factor Authentication (MFA), in advance of the academic year, to meet industry recommendations and improve security of College systems and data; College processes, policies and procedures being aligned with the new Scottish Government Cyber Resilience Framework (V2); Phishing scenario campaign starting in January 2024, in addition to staff mandatory training; Transformation of the College from server-based to cloud-based operations, with the current server and storage agreement running out in March 2024. The age of estate was noted as challenging, however, potential risks were said to be mitigated.

- **Health, Safety and Wellbeing Annual Report (August 2022 - July 2023)**

The Health, Safety and Wellbeing Annual Report was recommended for approval to the Board.

- **HR, HSW Update Report (August 23 - October 23)**

The Committee noted an increase in staff absence figures during the reporting period, due to the downgrading of the pandemic and as a result Covid-19 related absences being recorded as sickness absence, along with increased prevalence of flu and cold viruses.

Also a rise in absence in the category of 'Depression, Anxiety and Psychological' possibly due to the post pandemic impact, cost of living crisis and a more positive open and honest culture with reduced stigma around mental health issues.

- **Annual Complaints Report 2022-23**

Committee members noted the key points and actions taken to support improvement. There was an increase in number of complaints, likely due to the full return to campus. Triangulation is in place with HR to investigate any patterns and trends.

- **2022-23 Freedom of Information Annual Report**

Committee members noted the increased numbers of requests, mostly from Scottish parliament, and that requests were mostly related to staffing.

- **2023-24 Corporate Risk Register (V2): BRIC Extract**

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

- **Discussion around meeting frequency for next cycle**

The Committee agreed that four meetings should be retained for AY24/25 due to the volume of information and discussion already planned across the four agendas, plus the additional discussion that may be required due to the Transformation Project work that is ongoing.

3. Proposals and Recommendations

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

4. Resource Implications

No further resource implications require to be noted.

5. Sustainability

N/A

6. Consultation/Input

Chair & Vice Chair BRIC, Board Governance Adviser.

Mike Stewart
Chair, Business, Resources and Infrastructure Committee
5 December 2023

This paper will be published on the College website.

Board of Management

14 December 2023

Strategic Objective Reference: SO5 High performing college underpinned by excellence in stewardship and governance

Subject/Purpose: Committee Chair's Report - Audit and Risk Committee Meeting, 30 November 2023.

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

Appendices: No

1. Summary/Key Points

To provide the Board with a summary of significant items considered by the Audit and Risk Committee meeting in advance of the approved minutes being submitted to the next Board meeting in March 2024.

2. Proposals and Recommendations

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

3. Associated Risks

N/A

4. Equality and Diversity Impact Assessment (if applicable)

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

5. Current Situation/Assessment

The Committee considered, noted or approved the following:

- **Business Continuity Plan**

Work is progressing on the revised version of the Business Continuity Plan which will be brought to a future meeting.

- **Internal Audit – Wylie & Bisset**

- 1. 2022-23 Credits Audit Report**

The Committee noted the requirement to undertake annually and submit to the Scottish Funding Council, and one low grade recommendation.

2. 2022–23 EMA Report

The Committee noted that there were no issues or recommendations.

3. 2022-23 Student Support Funds Report

The Committee noted the requirement to undertake annually and submit to SFC and to SAAS. There were no issues or recommendations.

• External Audit – Azets - 2022-23 Financial Statements

1. 2022-23 BOM Report & Financial Statement

The Committee recommended the approval of the 2022-23 Board of Management Report and Financial Statements to the Board of Management.

2. 2022-23 Audit Report to the BOM and Auditor General

The Committee recommended the approval of the Annual Audit Report to the Board of Management and Auditor General.

3. Letter of Representation

The Committee recommended the approval of the Letter of Representation 2022-23 to the Board of Management.

• Audit and Risk Committee 2022-23 Annual Report

The Committee recommended the ARC Annual Report to the Board for approval.

• Draft Counter Fraud, Risk and Bribery Policy

The Committee approved the Counter Fraud, Risk and Bribery Policy.

• Rolling Internal Audit Action Plan as at 31 October 2023

The Committee noted the updated report.

• 2023-24 Corporate Risk Register (V2) as at 31 October 2023

The Committee recommended the 2023-24 Corporate Risk Register (V2) to the Board for approval.

• Risk Management Policy & Procedure

The Committee recommended the Risk Management Policy & Procedure to the Board for approval.

• Discussion around meeting frequency for next cycle

The Committee agreed that four meeting dates should be retained for AY24/25, with the additional meeting time available being used for added value activities, particularly around risk management and documentation reviews by the Committee.

• Private meeting

The Committee held a meeting with Internal and External Auditors without management present to provide auditors with the opportunity to present their views on the organisation and management. External and Internal Audit both advised that despite significant change in the Executive Leadership Team, that there were no material issues raised in this regard, and that good collaborative working had helped achieve the audit plan completion.

The Chair and the Committee thanked the Auditors for their contribution and welcomed both the positive feedback put forward and level of assurance provided.

6. Proposals and Recommendations

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

7. Resource Implications

No further resource implications require to be noted.

8. Consultation/Input

Chair & Vice Chair ARC, Board Governance Adviser.

**Steven Wallace
Chair, Audit and Risk Committee
4 December 2023**

This paper will be published on the College website.

(Paper 23)

Annual Complaints Report 2022/2023

Ayrshire
College 

Total Issues Received

151 issues were received. The chart on the right shows the number of issues received each month, split by the type of issue.

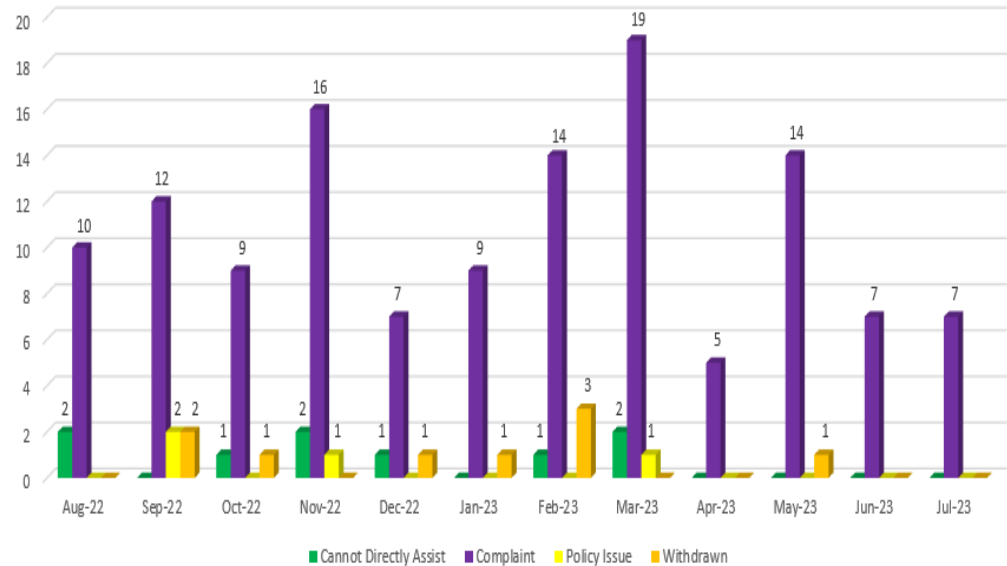
138 complaints were received, 9 of these were withdrawn. 9 issues were recorded as cannot directly assist and 4 as policy issue.

Of the 9 recorded as cannot directly assist, 2 were complaints about inappropriate comments made on social media they thought was a member of staff. 2 were anonymous complaints from students, but no details were given to investigate. 2 were about students making inappropriate comments to a student/visitor, that we were unable to identify. 1 was about videos shared to a group chat by a student. 1 about comments made by a student on social media and 1 about a student being charged with a criminal offence, which was passed to the Head of Student Experience.

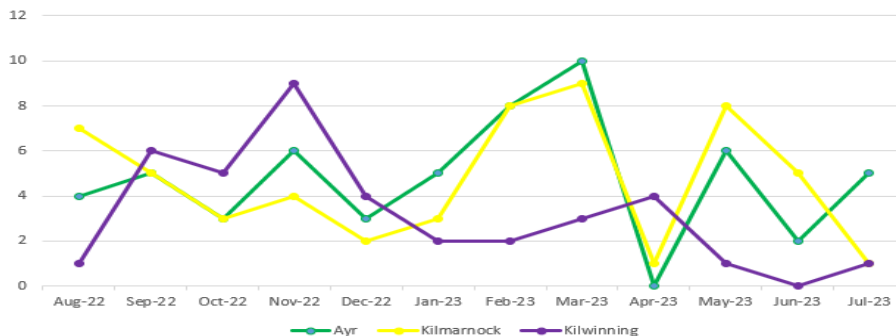
Of the 4 issues recorded as policy issue, 2 were allegations of students smoking cannabis/selling illegal substances, which were passed to the Police Campus Liaison Officer. 1 about the behaviour of a student, which was dealt with through the Student Conduct policy and 1 was a concern about a staff member that was referred to HR.

The charts below show the total issues received each month by campus and the total issues received split by campus and type of issue.

Issues received, split by month and type of issue



Issues received, split by month and campus

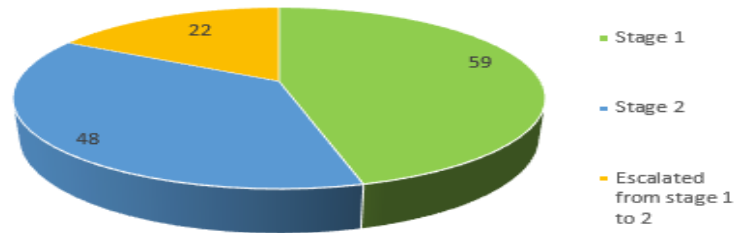


Issues received, split by campus and type of issue



Complaints Received

Complaints received, split by stage



138 complaints were received, 9 of these were withdrawn.

The chart on the left shows the remaining 129 complaints received, split by stage.

59 out of 129 complaints received were dealt with at stage 1, which equates to 46% of complaints.

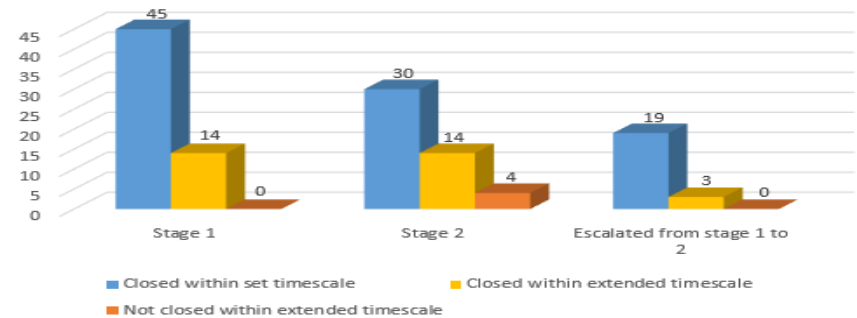
Stage 1 – SPSO set timescale is 5 working days and extended timescale is 10 working days

Stage 2 – SPSO set timescale is 20 working days and extended timescale is 40 working days

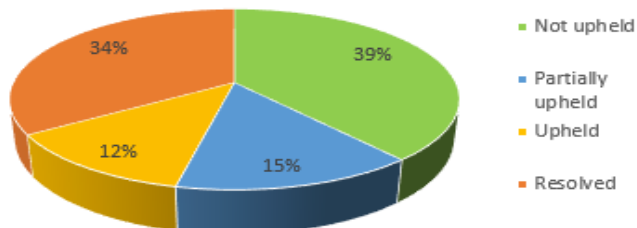
Escalated from stage 1 – 2 - SPSO set timescale is 20 working days and extended timescale is 40 working days

73% of complaints were closed within the SPSO set timescale.

Complaints received, split by stage and timescale closed in



Complaints received, split by outcome as a percentage



Of the 129 complaints received, 12% of complaints were upheld, with a further 15% partially upheld. This combines to 35 out of 129 complaints. 44 complaints were resolved.

Complaints Comparison

Annual Complaints Report - 2022/2023

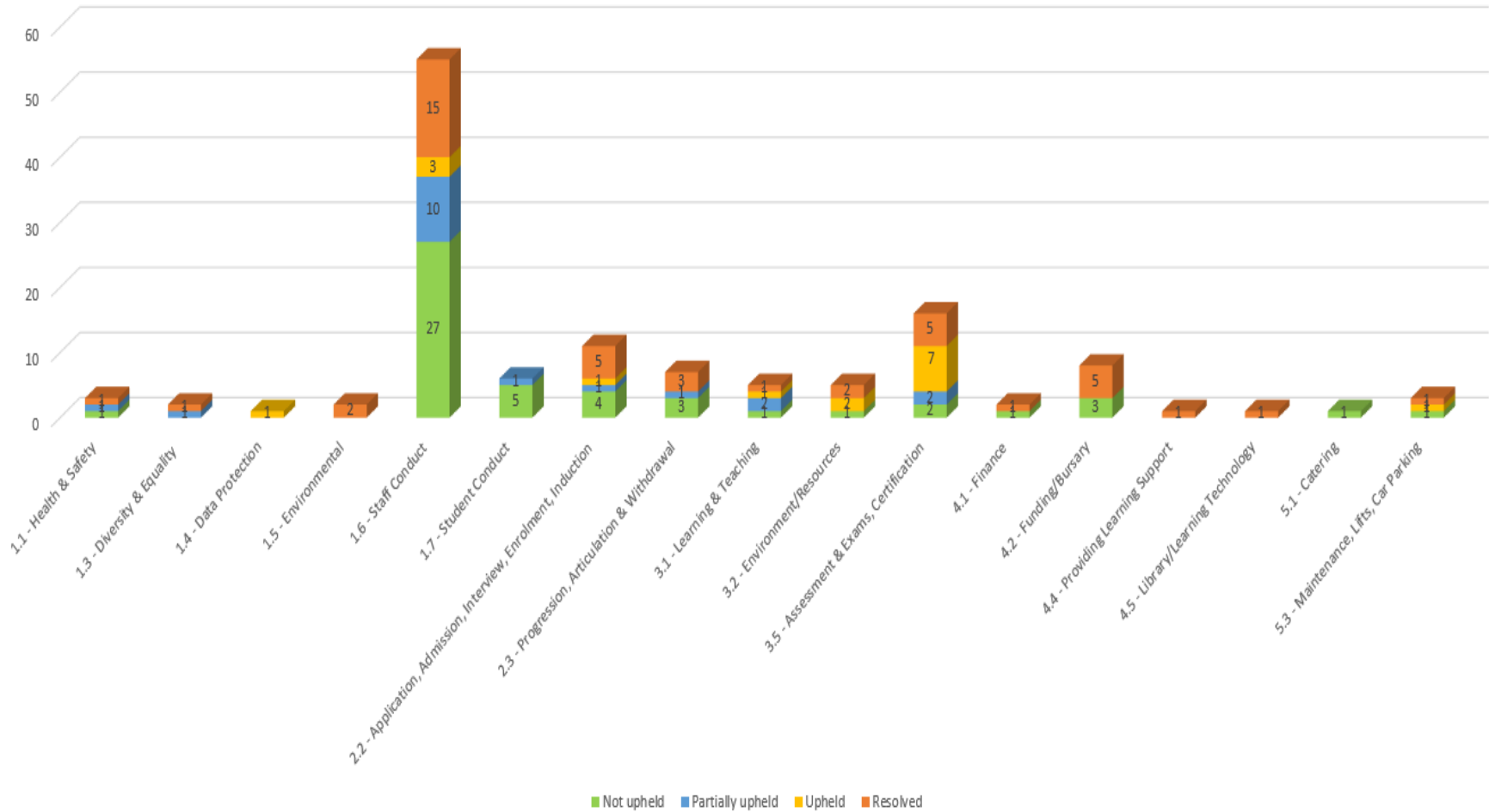
COMPLAINTS HANDLING PROCEDURE INDICATORS		Q1		Q2		Q3		Q4		YTD		2021/2022	
1.0	Total number of complaints received & complaints received per 100 population												
1.1	Number of complaints Received	31		32		38		28		129		109	
1.2/1a	College Population and Number of Complaints received per 100 population	9015	0.3	9527	0.3	9840	0.4	9840	0.3	9840	1.3	9644	1.1
2.0	Number of complaints closed at each stage and as a % of all complaints closed												
2.1/2a	Number of complaints closed at Stage 1 and % of total closed	17	54.8%	16	50.0%	14	36.8%	12	42.9%	59	45.7%	75	68.8%
2.2/2b	Number of complaints closed at Stage 2 and % of total closed	7	22.6%	13	40.6%	22	57.9%	6	21.4%	48	37.2%	25	22.9%
2.3/2c	Number of complaints closed after Escalation and % of total closed	7	22.6%	3	9.4%	2	5.3%	10	35.7%	22	17.1%	9	8.3%
2.4	Open	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3.0	Number of complaints upheld, partially upheld and not upheld at each stage and as a % of complaints closed at that stage												
3.0	Stage 1												
3.1/3a	Number and % of complaints upheld at Stage 1	1	5.9%	2	12.5%	0	0.0%	1	8.3%	4	6.8%	14	18.7%
3.2/3b	Number and % of complaints partially upheld at Stage 1	1	5.9%	0	0.0%	0	0.0%	0	0.0%	1	1.7%	n/a	n/a
3.3/3c	Number and % of complaints not upheld at Stage 1	1	5.9%	4	25.0%	5	35.7%	5	41.7%	15	25.4%	23	30.7%
3.4/3d	Number and % of complaints resolved at Stage 1	14	82.3%	10	62.5%	9	64.3%	6	50.0%	39	66.1%	38	50.6%
3.0	Stage 2												
3.5/3e	Number and % of complaints upheld at Stage 2	2	28.6%	3	23.1%	6	27.2%	0	0.0%	11	22.9%	16	64.0%
3.6/3f	Number and % of complaints partially upheld at Stage 2	0	0.0%	3	23.1%	8	36.5%	2	33.3%	13	27.1%	n/a	n/a
3.7/3g	Number and % of complaints not upheld at Stage 2	5	71.4%	7	53.8%	6	27.2%	4	66.7%	22	45.8%	9	36.0%
3.8/3h	Number and % of complaints resolved at Stage 2	0	0.0%	0	0.0%	2	9.1%	0	0.0%	2	4.2%	0	0.0%
3.0	Escalated												
3.9/3i	Number and % of complaints upheld after Escalation	1	14.3%	0	0.0%	0	0.0%	0	0.0%	1	4.6%	1	11.1%
3.10/3j	Number and % of complaints partially upheld after Escalation	1	14.3%	3	100.0%	0	0.0%	1	10.0%	5	22.7%	n/a	n/a
3.11/3k	Number and % of complaints not upheld after Escalation	5	71.4%	0	0.0%	2	100.0%	6	60.0%	13	59.1%	8	88.9%
3.12/3l	Number and % of complaints resolved after Escalation	0	0.0%	0	0.0%	0	0.0%	3	30.0%	3	13.6%	0	0.0%
4.0	Total working days and average time in working days to close complaints at each stage												
4.1/4a	Total working days and average time in working days to close complaints at Stage 1	70	4.1	74	4.6	70	5.0	72	6.0	286	4.8	331	4.4
4.2	Total working days and average time in working days to close complaints at Stage 2	163	23.3	361	27.8	527	24.0	131	21.8	1182	24.6	764	30.6
4b	Escalation	107	15.3	32	10.7	34	17.0	195	19.5	368	16.7	141	15.7
5.0	Number and % of complaints closed within set timescales (S1=5 working days; S2=20 working days ; escalated = 20 working days)												
5.1/5a	Number and % of Stage 1 complaints closed within 5 working days	15	88.2%	13	81.2%	11	78.6%	6	50.0%	45	76.3%	57	76.0%
5.2/5b	Number and % of Stage 1 complaints not closed within 5 working days	2	11.8%	3	18.7%	3	21.4%	6	50.0%	14	23.7%	18	24.0%
5.3/5c	Number and % of Stage 2 complaints closed within 20 working days	4	57.1%	5	38.5%	17	77.3%	4	66.7%	30	62.5%	14	56.0%
5.4/5d	Number and % of Stage 2 complaints not closed within 20 working days	3	42.9%	8	61.5%	5	22.7%	2	33.3%	18	37.5%	11	44.0%
5.5/5e	Number and % of Escalated complaints closed within 20 working days	6	85.7%	3	100.0%	2	100.0%	8	80.0%	19	86.4%	9	100.0%
5.6/5f	Number and % of Escalated complaints not closed within 20 working days	1	14.3%	0	0.0%	0	0.0%	2	20.0%	3	13.6%	0	0.0%
6.0	Number and % of complaints closed at each stage where extensions have been authorised												
6.1/6a	Number and % of Stage 1 complaints closed within 10 working days (extension)	2	100.0%	3	100.0%	3	100.0%	6	100.0%	14	100.0%	18	100.0%
6.2/6b	Number and % of Stage 1 complaints not closed within 10 working days (extension)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6.3/6c	Number and % of Stage 2 complaints closed within 40 working days (extension)	3	100.0%	6	75.0%	3	60.0%	2	100.0%	14	77.8%	9	81.8%
6.4/6d	Number and % of Stage 2 complaints not closed within 40 working days (extension)	0	0.0%	2	25.0%	2	40.0%	0	0.0%	4	22.2%	2	18.2%
6.5/6e	Number and % of Escalated complaints closed within 40 working days (extension)	1	100.0%	0	0.0%	0	0.0%	2	100.0%	3	100.0%	0	0.0%
6.6/6f	Number and % of Escalated complaints not closed within 40 working days (extension)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

- 129 complaints received, an increase of 18% from 2021/2022.
- 46% of complaints were handled at stage 1 in 2022/2023, compared to 69% for 2021/2022.
- 73% of complaints were closed within the target timescale in 2022/2023, the same as in 2021/2022.
- 97% of complaints were closed within the extended timescale in 2022/2023, 98% of complaints were closed within the extended timescale in the same period⁴ in 2021/2022.

Complaints – Sub-category

The chart below shows the complaints received, split by sub-category and outcome.

Complaints received, split by sub-category and outcome



Complaints – Sub-category

Annual Complaints Report - 2022/2023

Noted below are the reasons for complaint in each of the top 5 sub-categories:

Staff Conduct

- Unhappy staff told potential employer incorrect information
- Treatment of students by staff member, unhappy with the way they are spoken to, allegations of bullying, treated unfairly
- Advised could redo course but no places available, feels discriminated against
- Lack of response to calls/emails
- Lack of support, not listened to or respected, treated differently
- Staff member unable to work technology, goes off on tangent, raises voice unnecessarily, unapproachable
- Unsupportive with assessment, shared confidential information
- Not allowed to leave room for water/ the toilet
- Unhappy with the way concerns dealt with and contact made not clear
- Work submitted not marked or misplaced
- Unhappy with topics staff member was discussing with class
- Unhappy with questions asked during an interview
- Unhappy with explanations given by staff member, instructions unclear and unavailable to provide help and support
- Made to do dishes with a skin condition, talking about them to other students
- Misguided by staff member, lack of effort to teach the class/belittles students
- Member of staff does not understand or meet learning needs, treatment by member of staff, conversations made them feel uncomfortable

Assessment & Exams, Certification

- Applied for level 7 course, which was changed to level 6 and not told
- Delay to get portfolio checked and passed, delaying skills test
- Unhappy asked to return to College to resit exam/assessment believed to have already sat and passed
- Unhappy wouldn't accept screenshot as evidence/lack of practical work
- Observations not completed, lost and stopped during lockdown, unable to contact assessor
- Not given the chance to complete course and hand in outstanding work
- Missing unit from HNC certificate and not received food hygiene certificate
- Assessor on leave, had they been told would have submitted outstanding work
- Unhappy with result for graded unit and believes due a higher grade

Application, Admission, Interview, Enrolment, Induction

- Unhappy did not secure a place on chosen course due to application and interview process
- Length of time of the induction, not shown around or advised some classes in different location
- Unhappy didn't receive student email or card and unable to register as a student
- Unhappy student who had been charged with sexual offences allowed to study at College
- Unhappy interview process, not enough information about format provided, documents requested not reviewed
- Unhappy received email about their child but had not supplied their details to us
- Not offered a place on course
- Unhappy receiving text messages about their application but had not applied
- Unhappy with feedback received following an interview, no response to emails

Funding/Bursary

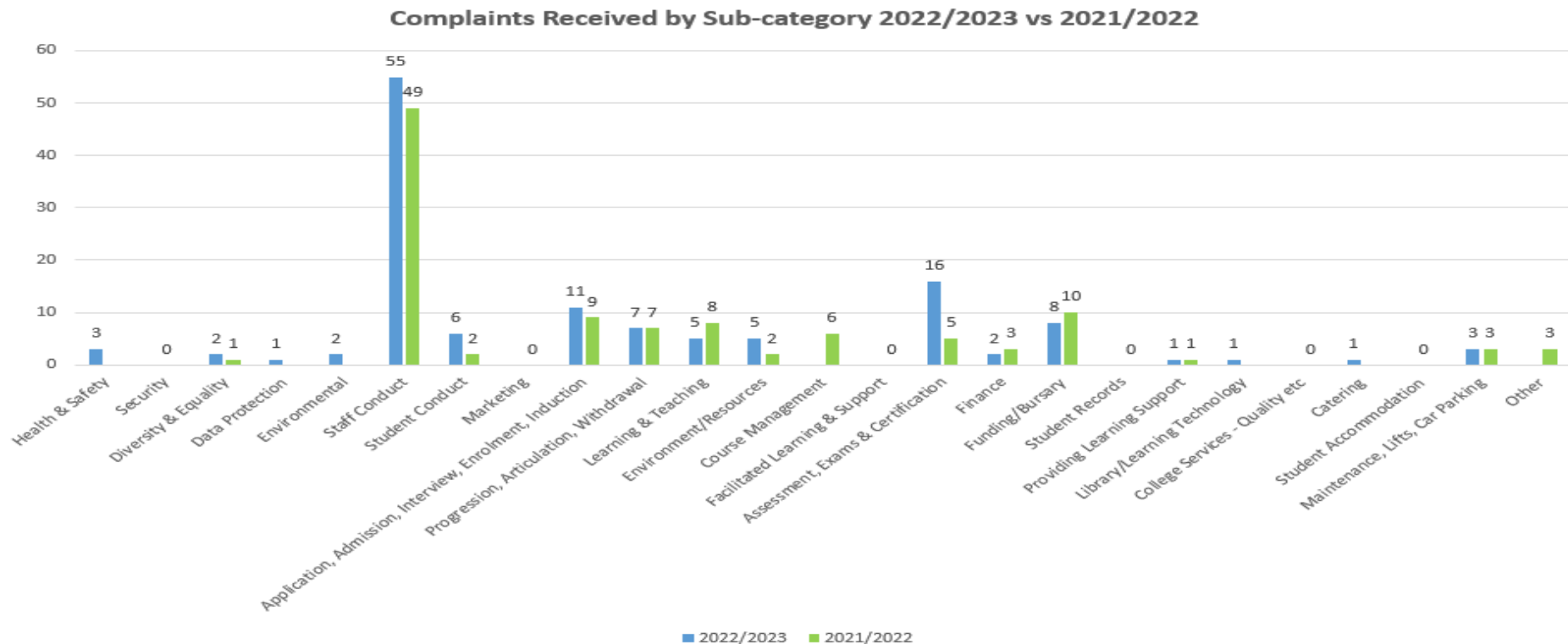
- Unhappy cannot be in receipt of carers allowance and bursary
- Delay to receive funding, cannot get through to the Student Funding team, no response to emails
- Not received bursary but supplied all information requested
- Not received bursary and told to claim Universal Credit but DWP advised differently
- Unhappy transport for schools-link course not provided
- Unauthorised absence not updated and payment withheld

Progression, Articulation & Withdrawal

- Unhappy given conditional offer on next level course but did not secure a place
- Unhappy withdrawn from the course
- Offered a waiting list place but this did not become an offered place
- Unhappy not allowed to progress to next level and other students are, attendance not amended, lack of support

Complaints – Sub-category Comparison

The chart below shows the complaints received, split by sub-category, compared to complaints received, split by sub-category, in 2021/2022.



- Increase in complaints received in the assessment, exams & certification sub-category from 5 in 2021/2022 to 16 in 2022/2023. This is mainly due to complaints received about students being asked to return to College to resit an exam/assessment believed to have already been sat and passed.
- Increase in complaints received in the staff conduct sub-category from 49 in 2021/2022 to 55 in 2022/2023. This is due to an increase in complaints about the way students have been treated by a member of staff.
- Decrease in the complaints received in the course management sub-category from 6 in 2021/2022 to 0 in 2022/2023. This is mainly due to a reduction in the number of complaints about courses being delivered online.
- Complaints received in the progression, articulation, withdrawal, providing learning support and maintenance, lifts, car parking categories have remained the same from 2021/2022 to 2022/2023.

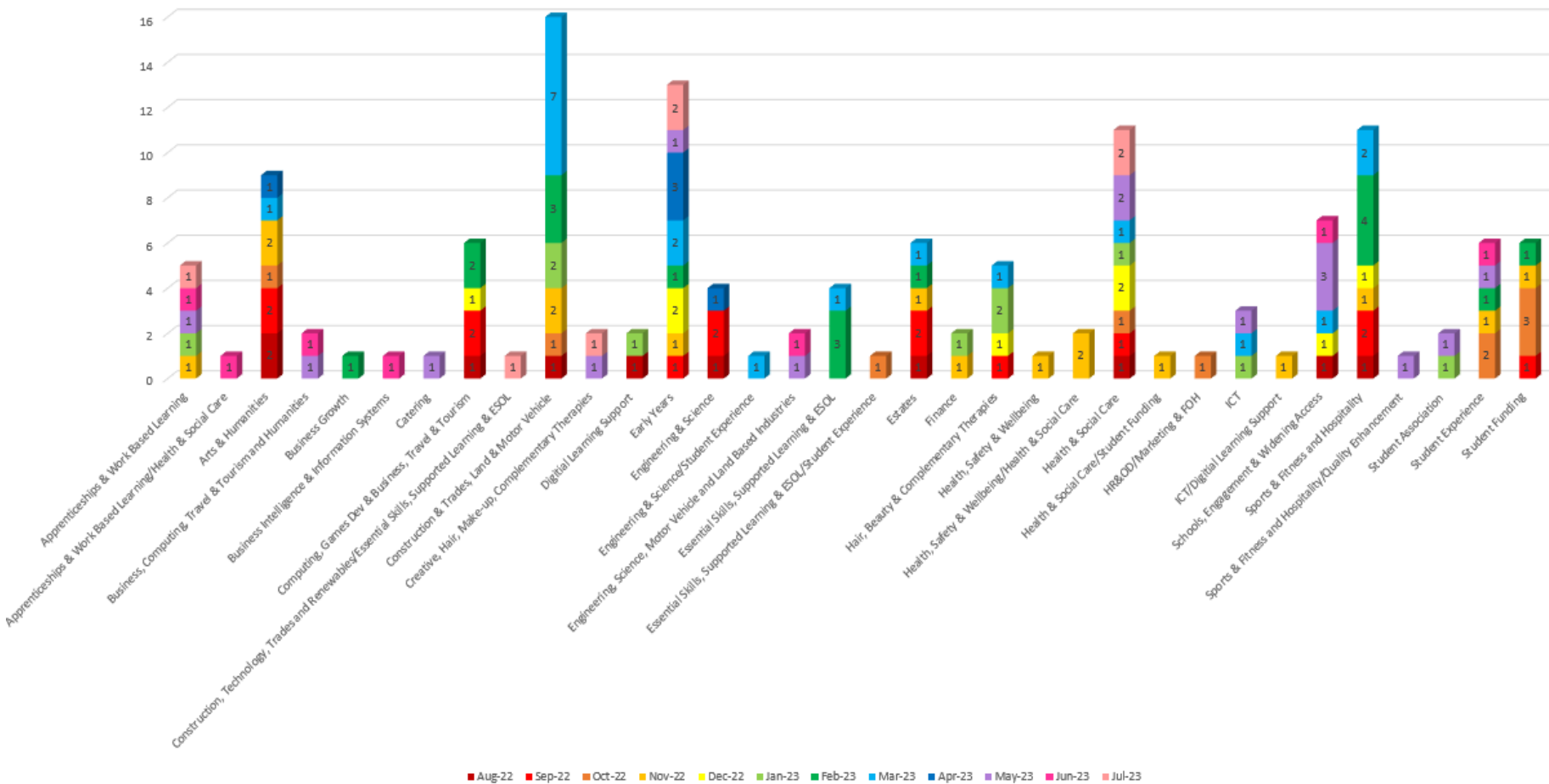
Complaints – Curriculum/Service Area

Annual Complaints Report - 2022/2023

The chart below shows issues received each month, split by curriculum/service area.

*curriculum areas were realigned in Q4 of 2022/2023

Monthly complaints (inc withdrawn) received, split by curriculum/service area

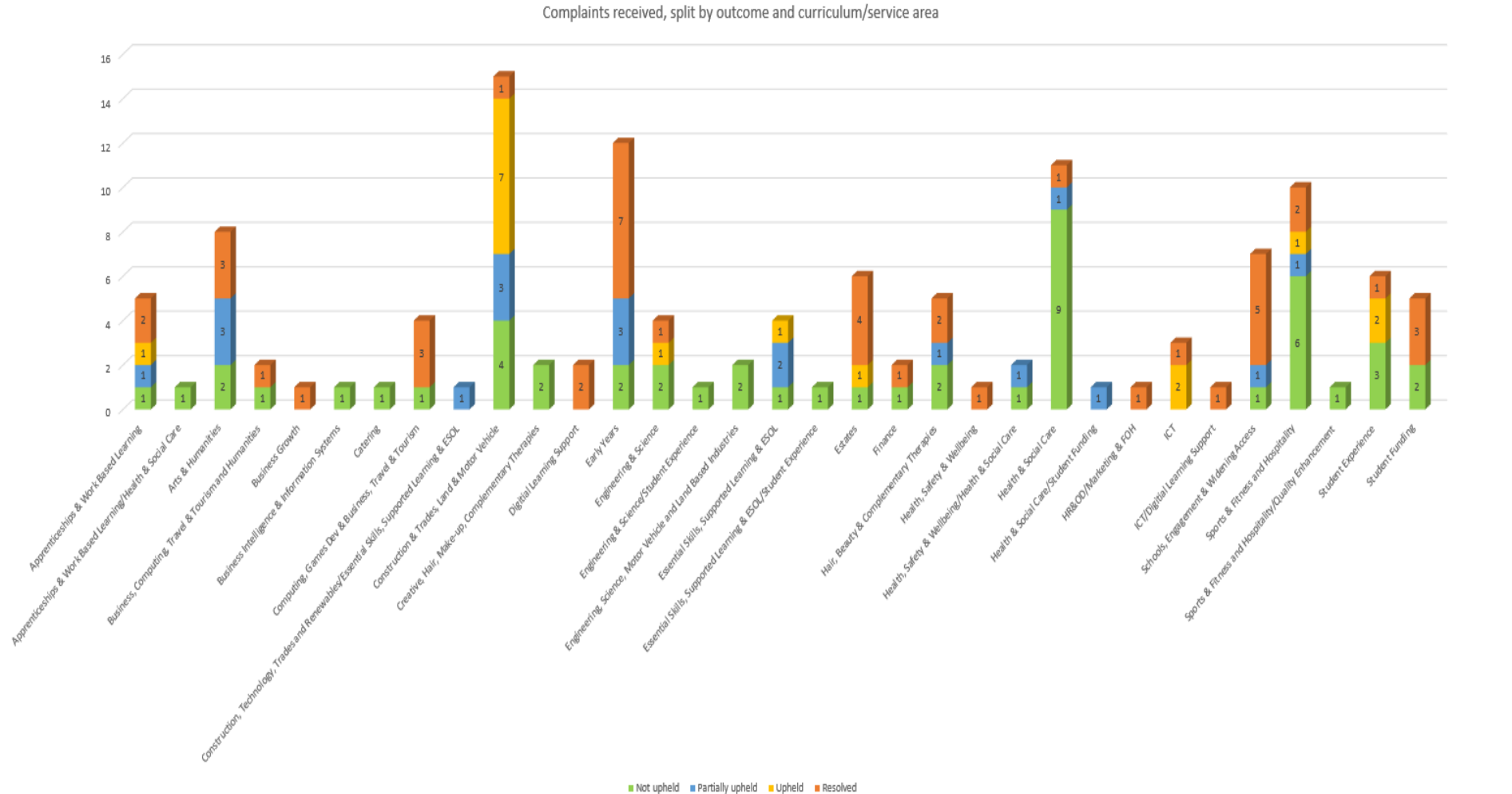


Complaints – Curriculum/Service Area

Annual Complaints Report - 2022/2023

The chart below shows the complaints received, split by outcome and curriculum/service area.

*curriculum areas were realigned in Q4 of 2022/2023



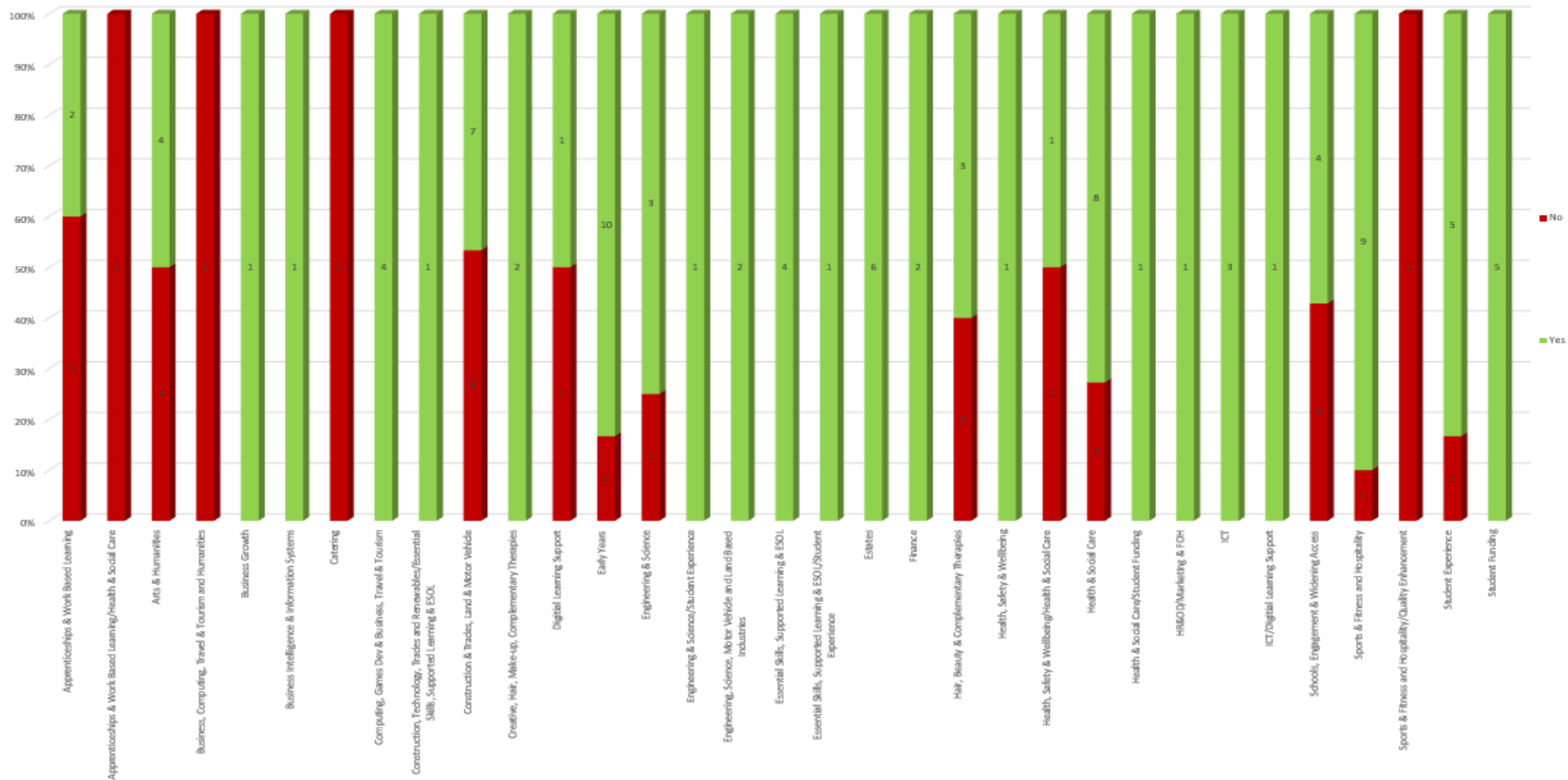
Complaints – Curriculum/Service Area

Annual Complaints Report - 2022/2023

The chart below shows the percentage of complaints received, that were closed within the SPSO set timescale (5 or 20 working days), split by curriculum/service area.

*curriculum areas were realigned in Q4 of 2022/2023

Percentage of complaints received, closed within timescale split by curriculum/service area



Actions

Complaint Category	Number of actions	Number completed	Number outstanding
1. Customer Care	34	32	2
2. Applications, Admissions & Progression	13	13	0
3. Course Related	11	8	3
4. Services	8	8	0
5. Facilities	2	2	0
6. Others	0	0	0
Total	68	63	5

Service Improvements

Annual Complaints Report - 2022/2023

Issue	Actions
<p>Parent unhappy their son had not been successful in securing a place due on their chosen course, due to the application and interview process</p>	<p>Process for notifying school pupils of interview format and support available for interview amended so that this information will now be sent directly to applicants rather to the schools to be passed onto pupils.</p>
<p>Student unhappy they applied for a level 7 course but now told they were doing a level 6 course, which is not on the SQA qualifications. This will affect further education.</p>	<p>All changes to courses will be communicated to students in writing in future, by text message and email.</p>
<p>Parent unhappy son was given a conditional place for progression to HND, met the conditions, but has not secured a place.</p>	<p>Student did not meet all of the conditions but the conditional offer letters will now be specific to each department, which will be dependent on space/places available.</p>
<p>Parent unhappy a member of staff told an employer that his son had not passed his College course, when he had passed this.</p>	<p>Develop guidance or a policy about the provision of references for students/former students.</p> <p>Privacy notice for students to be updated to reflect that information will be shared (via references) with potential employers/apprenticeship providers.</p> <p>Curriculum Heads to review the third party request for information guidance to ensure that all staff are clear about the process.</p>
<p>Resident of Content Avenue in Ayr unhappy students are dropping litter in the street and when they spoke with the students they were abusive. Students also driving too fast up the street and parking in Content Avenue.</p>	<p>Estates doubled staff resources at the Content Avenue side of the campus to try to deter students from dropping litter.</p>
<p>Relative of student unhappy with the length of time of the induction and that the student was not shown around or made aware that one of their classes on the first day was in Irvine.</p>	<p>Feedback given to staff member to ensure in future the induction presentation prepared is discussed with the students, they are given a tour of the campus and clear instructions are given on how to get to facilities outwith campus.</p>

Service Improvements

Annual Complaints Report - 2022/2023

Issue	Actions
<p>Unhappy with the learning and teaching from their lecturer. Lack of support and not providing examples.</p>	<p>Another lecturer allocated to the class and adjustments made to ensure students given the best opportunity to succeed.</p> <p>Curriculum Manager regularly reviewing the learning and teaching approach for the module until the end of the module.</p> <p>Review the teaching material and unit specification for the module as there is a large volume of teaching materials.</p>
<p>Student unhappy with their lecturer and that they are unable to work technology and putting resources on different platforms. Lecturer goes off on tangent, which drags out the lesson. Lecturer raises voice unnecessarily and comes across as unapproachable.</p>	<p>Lecturer to upskill in technical and digital resources for learning & teaching.</p>
<p>Applicant unhappy they were offered a waiting list place but this did not turn into an actual place on the course and that we did not contact them to confirm they had not been successful in securing a place.</p>	<p>Reviewed the process for notifying applicants when they are on the waiting list but a place does not come available. Letter updated to confirm we will be in touch if a place becomes available but not if a place does not become available.</p>
<p>Parent unhappy with delay for their son to receive funding, that they had called 25 times and cannot get through to Funding and no response to emails.</p>	<p>Staff reminded not to provide individual work email addresses for information to be sent to and to always give group email box.</p>
<p>Parent of student unhappy that there was not a banister available at the stairs at graduation and their daughter tripped. Unhappy with the way they were dealt with on the night.</p>	<p>Reviewed graduation processes and venues in response to banister being needed. Accessibility will be given the highest priority when considering suitable venues.</p>
<p>Student unhappy with the way the lecturer spoke to them in front of the class and spoke about them not completing a piece of work. When asked what they had missed the lecturer told them to speak with their classmates.</p>	<p>Lecturer will be mindful of their tone when speaking to students.</p> <p>Lecturer will provide guidance to students who need to catch up on missing classes and not refer them to other students in class.</p>
<p>Students unhappy they did not receive any support when fire alarm activated.</p>	<p>Three staff now provide fire warden support for the area the students study in.</p>
<p>Student unhappy with one of the lifts in Kilwinning, the lift keeps dropping to the bottom floor. Sometimes the doors do not open and sometimes when they do the lift is not aligned with the floor and cannot get out of the lift due to their wheelchair.</p>	<p>Lift contractor inspected the lift and found a defect. Contractor installed a new wiring loom to the lift car, which has the lift working properly.</p>

Service Improvements

Annual Complaints Report - 2022/2023

Issue	Actions
<p>Students unhappy with the way they are spoken to by a member of staff, feel they are disrespectful and discouraging. Confusion caused when answering questions, treats them like children. Unhappy class did not want to learn online and told not to come if they have a cold because of covid-19.</p>	<p>Lecturer will be clearer when answers given by students and with feedback provided.</p> <p>Lecturer will not regularly raise attendance with the class group but speak with individual students if there is an issue with their attendance.</p> <p>Lecturer will reiterate expectations of what a student should do to catch up when they have missed a class.</p>
<p>Student unhappy with the conduct and treatment by member of staff, ignored and pushed down queue for technology and ID card, asked to attend student conduct hearing without knowing the allegation.</p>	<p>Wording of the letter sent to student as part of student conduct policy being reviewed.</p>
<p>Student unhappy with the way they were dealt with by staff and not allowed to go to the toilet during closed book assessment.</p>	<p>Exam procedure updated to include the general class exam guidance given prior to closed book exam, and guidance pertaining to emergency situations arising during exams i.e. feeling sick or urgently needing the toilet.</p> <p>Pregnancy risk assessment updated and first risk assessment date brought forward so additional support can be in place sooner.</p>
<p>Applicant unhappy they applied for a course and tried to make payment online and by phone but by time they spoke to someone the course was closed.</p>	<p>Reception advised of correct number to transfer calls to for Finance.</p> <p>Finance out of use mobile checked for messages and updated to remove the option to leave a voicemail and only refers to an email address.</p>
<p>Students unhappy with connectivity/IT issues in Ayr campus. Recently caused issues with an assessment that had to be extended.</p>	<p>Desktops being used by class had maintenance restart at 10pm every night and this has been changed to 3am now.</p> <p>Issue with thin client, removed and tested by ICT and established not student account. Issue investigated and all classrooms checked to see if a wider issue.</p> <p>When providing support remotely ICT technicians will ensure students are given the chance to save their work before restart.</p> <p>ICT implemented a process to work with lecturers to get timetable of assessments and ensure technician is available to support.</p>

Service Improvements

Annual Complaints Report - 2022/2023

Issue	Actions
Parent of a student and another student unhappy a student charged with sexual offences being allowed to study at College.	Independent audit review of our procedures carried out.
Parent unhappy lecturer keeps shouting at their son for being late for College.	A questionnaire was issued to all hospitality students about course design and also satisfaction. Anything highlighted through this process will then be revisited.
Student unhappy with the way they were treated by students running the sports sessions, also feels lecturer was too far away to observe the students.	<p>Both lecturers will be present during the class.</p> <p>Lecturing team made the students aware why they were undertaking the unit and ensured students could identify the relevance.</p> <p>Students were made aware that while the unit is not optional if a student has a short term health/medical issue and cannot take part medical evidence can be accepted.</p>
Student unhappy with the topics the lecturer was discussing during the evening class.	Decision made to cancel the course.
Parent unhappy with the lack of teaching and classes being cut short or not running.	<p>Timetable was adjusted and one lecturer now teaching the class to ensure that this class has a consistent learning and teaching experience going forward.</p> <p>Carried out a class audit and supported the completion of outstanding work.</p> <p>Additional teaching and support given to the students who needed this.</p>
Parent unhappy with the interview process and that not enough information about the format was provided, documents requested were not reviewed.	Interview letter reviewed and more details of what will be involved added to this.
Student unhappy course was full time but only in campus two days, course not as advertised around rehearsing, where they will rehearse and number of gigs. Completed feedback forms but no changes made, one of the modules not relevant to the course, unhappy with the teaching style of lecturer and unhappy with conduct of another lecturer as feels they are immature and unprofessional.	<p>Website updated to make it clear that activities mentioned may be offered and not a guarantee.</p> <p>Feedback to lecturer to have more structured lessons, less talking at the start of the lesson and clear links in lessons as to what has been done and what is next.</p>
Students unhappy with teaching from their lecturer and they don't explain what is required or give clear instructions, unavailable to provide help and support and unhappy with some comments made.	A different lecturer now teaches the class.

Service Improvements

Annual Complaints Report - 2022/2023

Issue	Actions
<p>Parent unhappy with the treatment of their son by lecturers, not received any support, we asked for feedback and this was omitted from progression report.</p>	<p>Reviewed the process for notifying Inclusive Learning when someone has selected on their application form that they need additional support in College. A new Student Experience and Personal Learning Support Plan app has been developed so information will now be pulled directly from the Student Records database.</p>
<p>Students feel misguided by lecturer, given incorrect information and that there is a lack of effort to teach the class.</p>	<p>Placement allocation letter and placement folio updated to make it explicit the number of days students need to attend their placement.</p> <p>Review of the course and teaching materials carried out.</p> <p>Feedback given to the member of staff to try to be more approachable and respond to emails in a reasonable timescale.</p>
<p>Student unhappy with the Mac computers in the Ayr campus, unable to get logged on, screen cracked, photoshop doesn't work and problems with Wi-Fi.</p>	<p>Head of ICT is carrying out a process to identify all ICT needs for the next academic year. This information will be collated and presented to SLT to allow them to agree on any future investment.</p>
<p>Parent of a student unhappy with the way their daughter is being treated by a member of staff.</p>	<p>Met with the teaching team and third party to find a solution for lunchtime supervision.</p>
<p>Student unhappy a member of staff released personal information about them to other students and believes a lecturer changed answers on another student's exam so they would pass.</p>	<p>Digital Learning corrected the software error on the assessment so answers now do not need to be upper/lower case specific.</p>
<p>Students unhappy a unit was missing from their HNC certificate, also not received their certificate for the REHIS food hygiene course and have been contacting a staff member but have been ignored and not received a reply.</p>	<p>Emergency Paediatric First Aid unit result submitted to SQA for all students in the class.</p> <p>REHIS results reinput into their system. Certificates received and sent out to all students.</p> <p>Feedback to staff member to ensure they respond to messages.</p> <p>REHIS requested a Teams call with us to be clear about the administration, co-ordination and quality assurance of all REHIS courses.</p>

Service Improvements

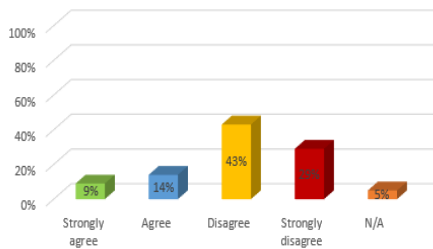
Annual Complaints Report - 2022/2023

Issue	Actions
<p>Parent unhappy their son applied for the course on the understanding there would be a recruitment process at the end or support to apply for the HNC course, lack of learning about windfarms, course framework was general and course title not representative of the course content.</p>	<p>Head of met with the teaching team to ensure that course content is contextualised where possible and that at least one visit to a windfarm under construction and to Whitlee takes place in Session 2023-24.</p>
<p>Applicant unhappy with the feedback they received following an interview. Advised they had many missed opportunities and wants examples of those, found it offensive they were advised they were overfamiliar.</p>	<p>Staff members in that curriculum area will now respond to emails within 3 working days.</p> <p>Feedback will no longer be sent unsolicited to new unsuccessful applicants. Requested feedback will be given verbally to ensure clarity of response and support for the applicants.</p> <p>Staff training on providing interview feedback on group selection processes taken place.</p>

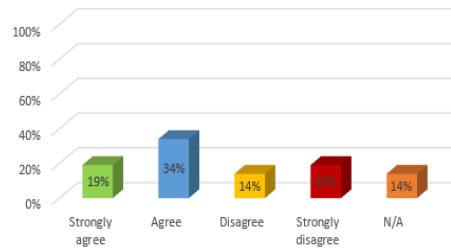
Customer Satisfaction

A total of 118 surveys have been sent, with 21 responses received, this equates to a 18% response rate. The results from the responses received are shown in the charts below.

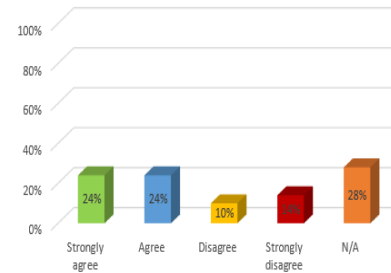
Q2 - I was aware of the complaints procedure before I needed to make a complaint



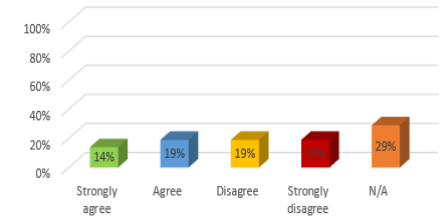
Q3 - I found the complaints process easy to access



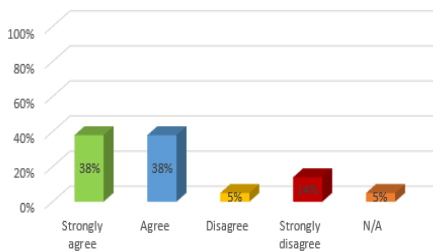
Q4 - I found the complaints form easy to use



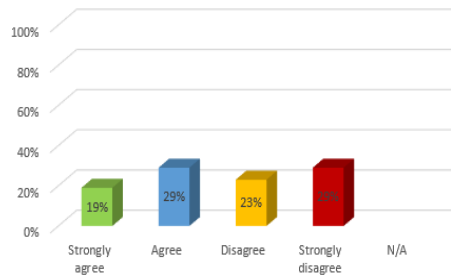
Q5 - I was able to access information and assistance in making my complaint where this was required



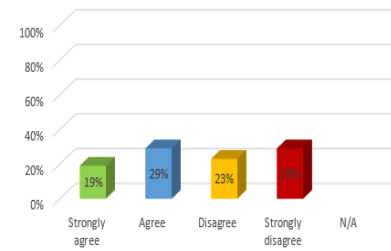
Q6 - I received a prompt acknowledgment of my complaint



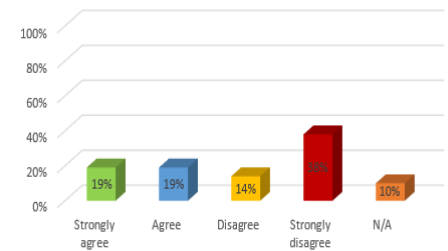
Q7 - I felt my complaint was taken seriously



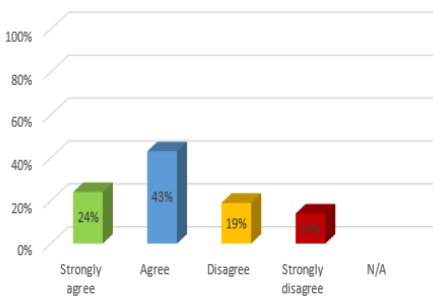
Q8 - I felt my complaint was thoroughly investigated



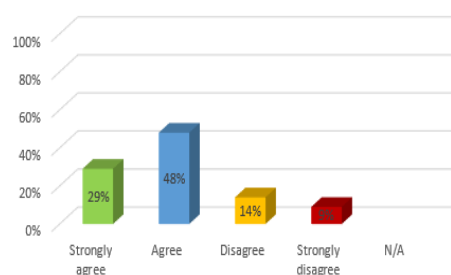
Q9 - I received a fair and objective response to my complaint



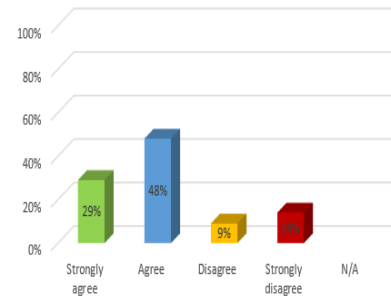
Q10 - I received a clear response to my complaint



Q11 - I received a response to my complaint within an appropriate timescale



Q12 - I was dealt with courteously at all times



Appendix

The tables below show the College Development Network categories and sub-categories, which we have adopted.

1.0	CUSTOMER CARE	
	Sub-Category	Examples
1.1	Health & Safety	<ul style="list-style-type: none"> Alleged misuse of disability car parking spaces Subject to passive smoking in no smoking area Tripping hazards in workshop
1.2	Security	<ul style="list-style-type: none"> Theft of personal property Padlock on bicycle locker cut by Estates staff
1.3	Diversity & Equality <i>(Protected Characteristics)</i>	<ul style="list-style-type: none"> Failure to make reasonable adjustments under the terms of Equality Act Visitor complains of poor accessibility to toilets and lifts Student not allowed to progress on course due to additional support not being available to support disability Textbook contains racist material
1.4	Data Protection	<ul style="list-style-type: none"> E-mail address divulged to other people Staff shared student personal data with others during classroom discussion
1.5	Environmental	<ul style="list-style-type: none"> Housing Association complains of students littering outside tenants' properties Neighbour complains of noise from construction work at College Residents complain that students and staff used private car-parking spaces
1.6	Staff Conduct	<ul style="list-style-type: none"> Poor customer service Failure to respond to requests by e-mail/phone etc. Requests handled impolitely, discourteously
1.7	Student Conduct	<ul style="list-style-type: none"> Student complains that disciplinary procedure was applied unfairly Students damage neighbouring properties

Appendix cont...

2.0 APPLICATIONS, ADMISSIONS, PROGRESSION		
	Sub-Category	Examples
2.1	Marketing	<ul style="list-style-type: none"> • Unable to find evening class information on College website • Misleading information in College prospectus
2.2	Application, Admission, Interview, Enrolment, Induction	<ul style="list-style-type: none"> • No acknowledgement of application • Criteria for rejecting application was unfair • Placed on waiting list despite applying quickly • No information on College website to inform applicant course was already full and only found out weeks later • Applicant travelled long distance for interview only to be told they didn't have the necessary entry requirements • Applicant invited to wrong campus for interview
2.3	Progression, Articulation & Withdrawal	<ul style="list-style-type: none"> • Student unhappy that they were not allowed to progress to next level having successfully achieved the previous level • Student complains withdrawal process was not followed • University not supplied with student reference as requested

3.0 COURSE RELATED		
	Sub-Category	Examples
3.1	Learning & Teaching	<ul style="list-style-type: none"> • Quality of teaching not to the standard expected • Teaching from powerpoint for 3 hours without a break • Lecturer unapproachable when requiring support
3.2	Environment/Resources	<ul style="list-style-type: none"> • Classrooms/desks not fit for purpose • Wifi unreliable • Broken smartboard • Workshops too cold • Not enough computers for size of class
3.3	Course Management	<ul style="list-style-type: none"> • Class cancelled at short notice • No contingency for staff absence • Lecturer arrives late/finishes class early
3.4	Facilitated Learning Support	<ul style="list-style-type: none"> • Guidance class not held • Staff do not provide printed materials in format stipulated in PLSP • Staff unaware of changes to PLSP
3.5	Assessment & Exams, Certification	<ul style="list-style-type: none"> • Assessments crammed into end of block • Student not provided with opportunity for re-sit • Delay in providing results/certificates • Not receiving certificate due to College failing to attach student to group award • Noise disruption during exam

Appendix cont...

4.0 SERVICES		
	Sub-Category	Examples
4.1	Finance	<ul style="list-style-type: none"> Former student unhappy to be threatened with legal proceedings for unpaid fees Student unhappy not to have course fees refunded after withdrawing from course
4.2	Funding/Bursary	<ul style="list-style-type: none"> Delay in processing bursary application Application for hardship fund handled unfairly
4.3	Student Records	<ul style="list-style-type: none"> Student personnel data is incorrect/not updated
4.4	Provided Learning Support	<ul style="list-style-type: none"> Delay in arranging DSA assessment Student unhappy that they could not have the same support worker for every class Student unhappy that additional support requirements have not been put in place
4.5	Library/Learning Technology	<ul style="list-style-type: none"> Student complained that library overdue book notification system was unfair Lack of support provided by the College with regards to provision of IT on evening class Library opening hours
4.6	College Services – Quality etc	<ul style="list-style-type: none"> Delay in handling complaint

5.0 FACILITIES		
	Sub-Category	Examples
5.1	Catering	<ul style="list-style-type: none"> Coffee shop frequently runs out of soya milk Choice on offer
5.2	Student Accommodation	<ul style="list-style-type: none"> Poor wifi service Cleanliness of accommodation
5.3	Maintenance, Lifts, Car Parking	<ul style="list-style-type: none"> Lifts out of order College does not provide sufficient car parking space College signage is misleading

6.0 OTHERS		
	Sub-Category	Examples
6.1		<ul style="list-style-type: none"> No College wide 2 minute silence on Remembrance Day

(Paper 24)

Freedom of Information Report August 2022 – July 2023

FOI Requests Received

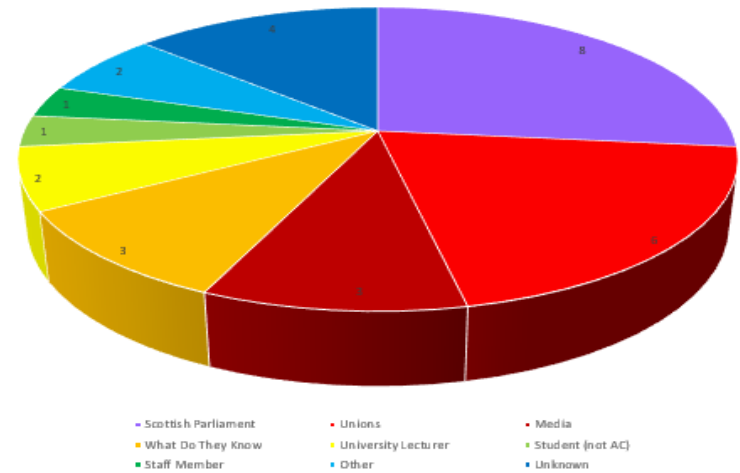
2022/2023

30 Freedom of information requests were received.

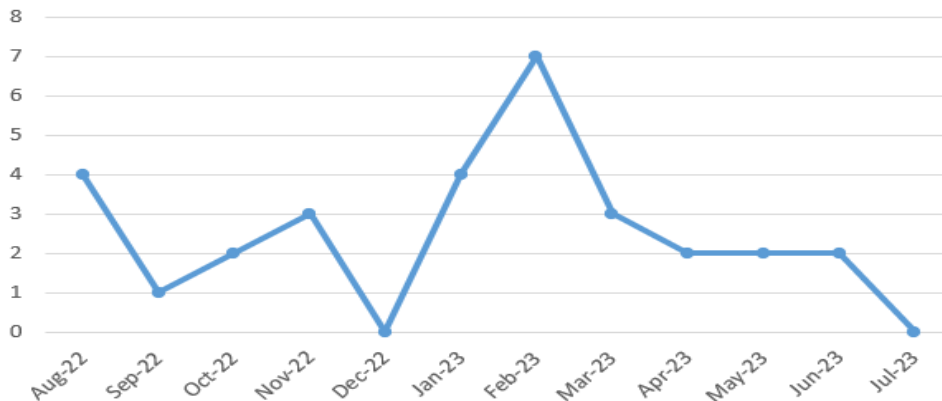
The chart on the right shows the number of FOI requests received by requestor type. 27% of requests were received from the Scottish Parliament and 20% received from the Unions.

The charts below show the number of FOI requests received split by month and the number of requests where an internal review was received.

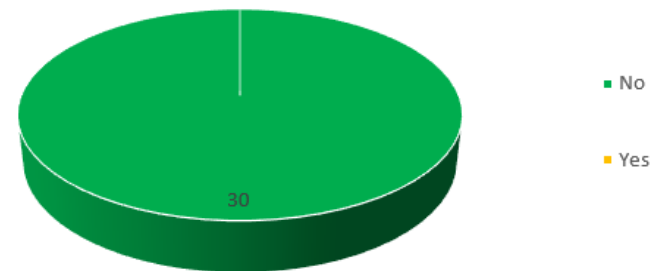
FOI requests received, split by requestor type



FOI requests received, split by month

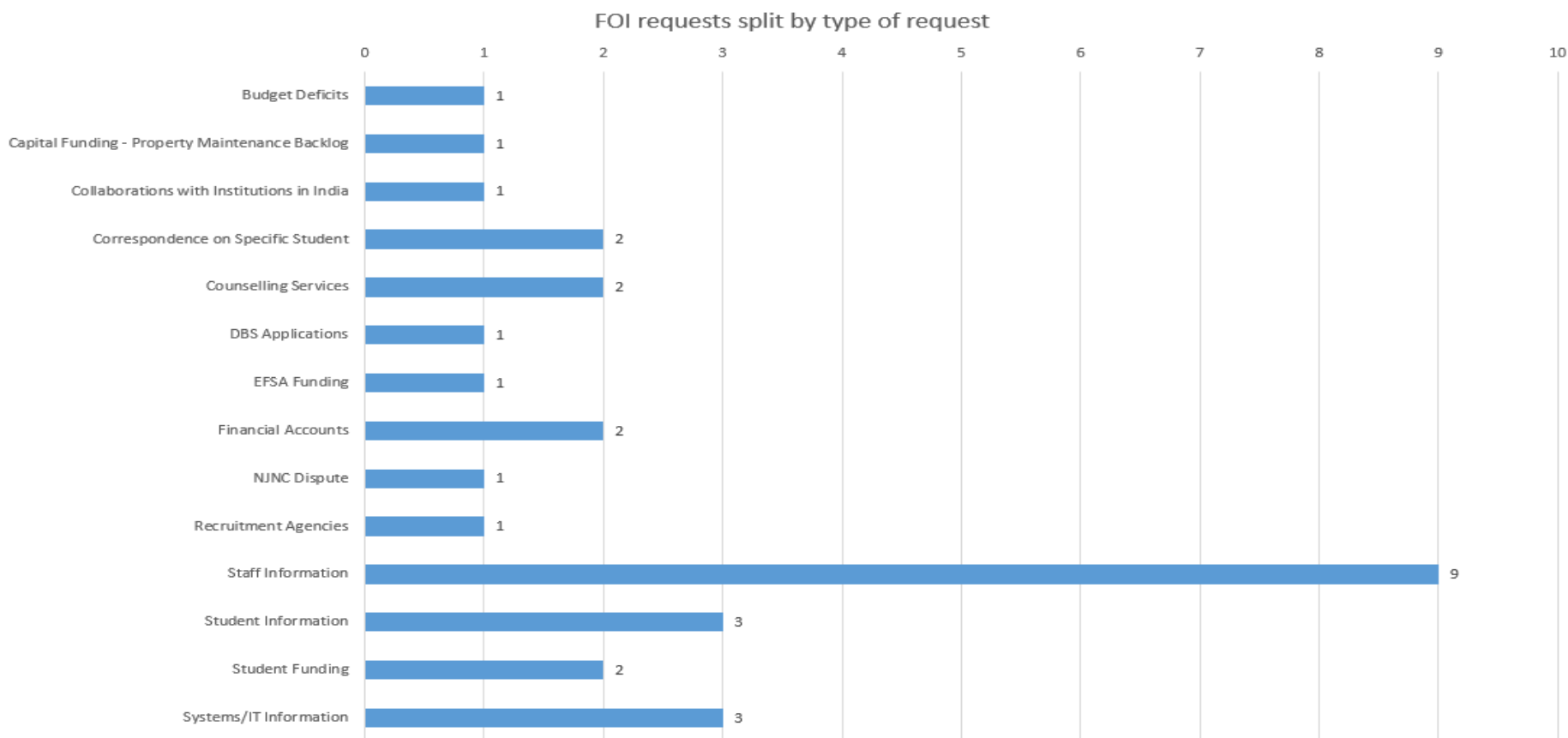


FOI requests received, split by internal review requested



FOI Request Type

2022/2023



The Staff Information category had requests for senior staff pay increase and bonuses, budget deficits and the implication on staff numbers, managers organisation charts, minutes from a meeting around reduction in staff, number of staff employed and those on zero-hour contracts, staff absence due to stress or poor mental health, the Principal's salary, the Principal's business trips and violent incidents on staff.

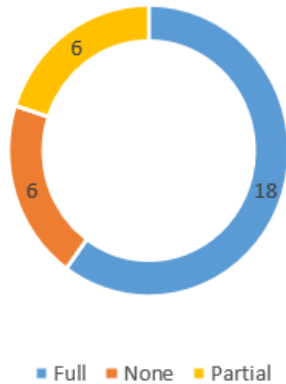
In the Student Information category requests were received for the number of students studying at the Ayr campus, documents or correspondence on the average reading age of our students and information on criminal conviction checks carried out on students.

We received three requests in relation to systems or IT information. One request asked if we adopted artificial intelligence systems and the other two requested information on the systems and IT we use, the provider and when our contracts were due for renewal.

Information Provided

2022/2023

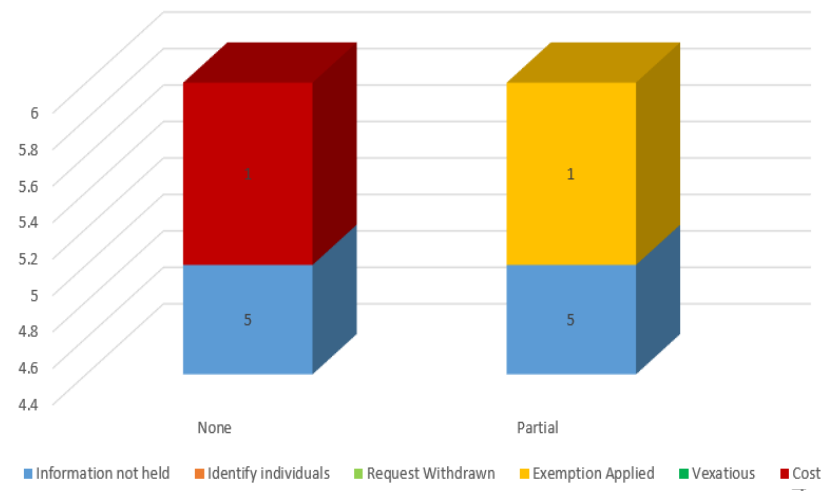
FOI requests received, split by information provided



The chart to the left shows the number of FOI requests where the information requested was provided in full, some of the information requested was provided or none of the information was provided.

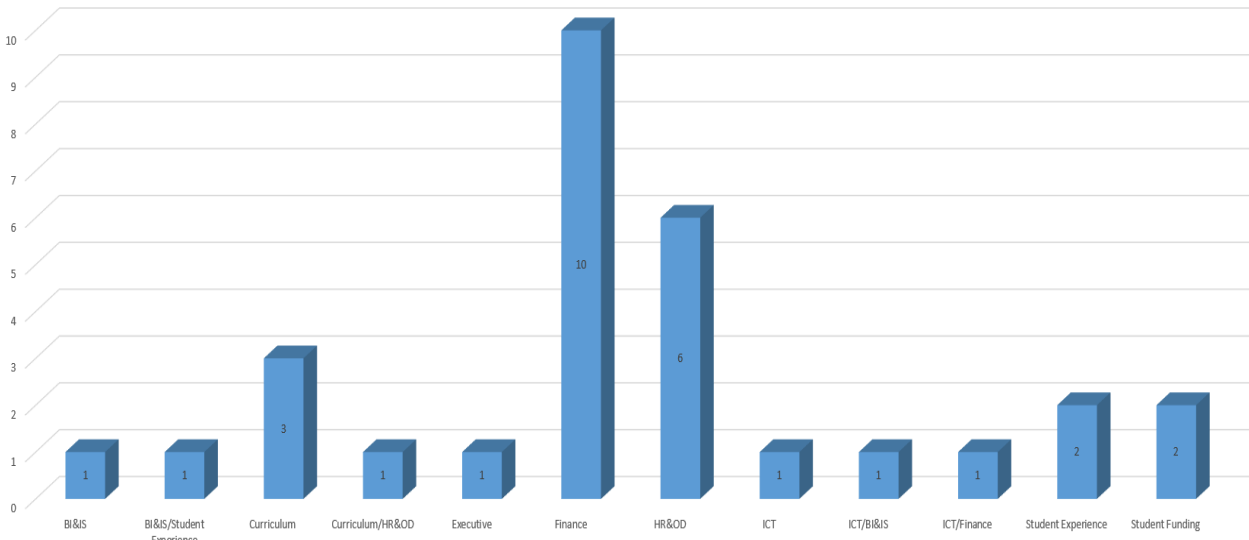
The chart on the right shows the reason information was not provided, where only some of the information or none of the information requested was provided.

Partial/no information provided, split by reason information not provided



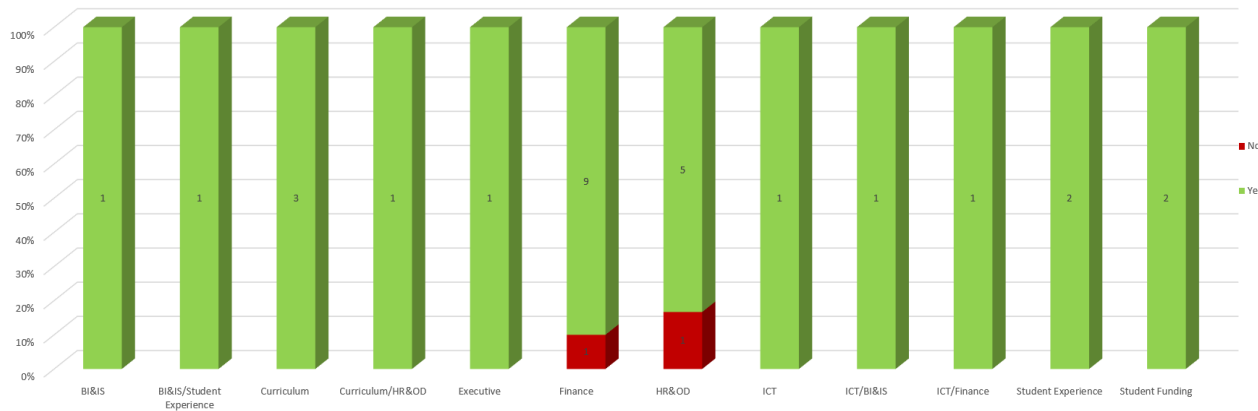
FOI Requests – Curriculum/Service Area

FOI requests received, split by curriculum/service area



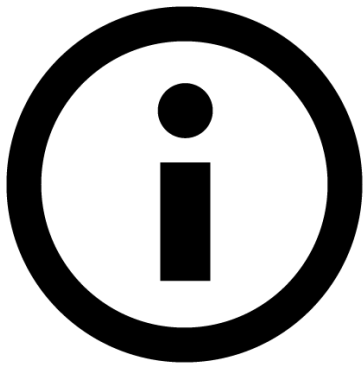
The chart on the left shows the FOI requests received, split by curriculum/service area. 13% of requests received asked for information from more than one area.

Percentage of FOI requests received, closed within timescale split by curriculum/service area



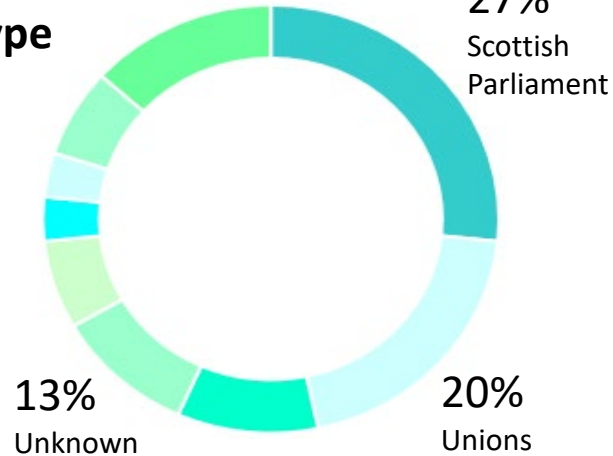
The chart on the right shows the percentage of FOI requests issued within the 20 working day timescale.

Freedom of Information – Key Facts 2022/2023 (Paper 24)



30 requests for information

Requestor Type



93% responded to in timescale



0 requests for an internal review

Top 3 Request Types

- Staff Information
- Student Information
- Systems/IT Information



11 subject access requests and **1** right to erasure request