

## Agenda Item 8.1

Our ref: 246248685

7 July 2016

Linda McTavish  
Regional Chair for Lanarkshire  
New College Lanarkshire  
1 Enterprise Way  
Motherwell ML1 2TX

Dear Linda,

### **Review of regional governance arrangements**

The Post-16 Education (Scotland) Act 2013 provided the legislative structure to support the regionalisation of the college sector, including the creation of regional strategic bodies in the three multi-college regions. On 1 October 2014 New College Lanarkshire was designated the Regional Strategic Body (RSB) for Lanarkshire and South Lanarkshire College was assigned to New College Lanarkshire. From that date, the New College Lanarkshire Board (the Lanarkshire Board) assumed all of the responsibilities of RSB for the region.

SFC has continued to fund both colleges directly as a transitional arrangement. This was necessary until we were satisfied that suitable regional governance structures and processes were in place to allow for the governance and management of funds within the region.

As you know, we have been carrying out an assessment of regional governance arrangements. Our assessment has included review of corporate documents, Board/Committee agendas and minutes, observation of Board meetings, and interviews with Board members.

There remain two areas where work is in progress. These are:

Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD  
T 0131 313 6500  
F 0131 313 6501  
[www.sfc.ac.uk](http://www.sfc.ac.uk)

- Internal audit - the Internal Audit Plan doesn't currently recognise RSB responsibilities. However, the Audit Committee has agreed with the internal auditor that this will be reflected in developing the internal Audit Plan for 2016-17.
- Board effectiveness review – this is in progress and will be completed by the autumn.

The outstanding matters detailed above will be addressed during 2016-17; we will monitor progress with these. Taking all of the evidence together, we are satisfied that regional governance structures and processes are sufficiently robust to support New College Lanarkshire's regional responsibilities, including the management of SFC funding for the region.

I can confirm that as from August 2016, SFC will no longer fund South Lanarkshire College directly for further education. Instead, we will provide the full amount of this funding, including student support funding, to New College Lanarkshire, and New College Lanarkshire will in turn fund South Lanarkshire College.

Finally, I would like to extend my thanks to you, members of the Lanarkshire Board and executive staff for assisting us in carrying out this assessment.

Please do not hesitate to contact me if you wish to discuss further.

Yours sincerely



John Kemp  
**Director of Access, Skills and Outcome Agreements**

cc Martin McGuire, Principal, New College Lanarkshire  
Stewart McKillop, Principal, South Lanarkshire College  
Jane McCartney, Chair, South Lanarkshire College  
Keith McAllister, Head of Finance, South Lanarkshire College  
Iain Clark, Vice Principal Resources, New College Lanarkshire  
Diane McGill, Secretary to the Board, New College Lanarkshire