



Scottish Funding Council
Promoting further and higher education



Comhairle Maoineachaidh na h-Alba
A' brosnachadh foghlam adhartach agus àrd ìre

Our ref: 253407985

21 December 2018

Martin McGuire
Principal and RSB Chief Officer
New College Lanarkshire
1 Enterprise Way
Motherwell
ML1 2TX

New College Lanarkshire Business Plan

I am writing to confirm that, as my colleagues have previously said in their discussions with the college, SFC is happy to support the Lanarkshire Business Plan that was approved by the Board and signed by Keith Fulton, Acting Chair of the Lanarkshire Board, and yourself on 28 September. It was agreed that this plan would effectively become your live budget and accordingly the College Senior Team will monitor progress against the plan and undertake additional mitigating action if that is deemed necessary in order to deliver the agreed underlying operating position.

SFC has already awarded funding up to £645,000 for voluntary severance in AY 2018-19 and stands ready to award the additional £2.6 million (to be confirmed) transformation funding in March 2019 to support the delivery of the plan. It is envisaged that the College's future funding, at an appropriate juncture, will be reduced to reflect this transformation funding.

SFC advised the College of the draft National Bargaining costings that had been updated by Colleges Scotland based on the staffing information across the sector as at 30 April 2018. The potential impact on the College showed a reduction in the costing for AY 2018-19 of c£500k. SFC asked the College to check the costings with Colleges Scotland to ensure they were correct and, if they were correct, to revisit

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD
T 0131 313 6500
F 0131 313 6501
www.sfc.ac.uk

their plan to consider what mitigating action could be undertaken to address the potential reducing level of national bargaining funding.

I understand the College has been engaging with Colleges Scotland on this matter and has resubmitted an updated plan to SFC outlining the mitigating action that could be taken forward to address this situation.

On 20 December we received the updated costing from Colleges Scotland. We will need to consider the full picture across the whole college sector together with the Scottish Government draft budget announcement for FY 2019-20 before we can confirm what action, if any, will be required in AY 2018-19. This position will not be known/confirmed until late January 2019. We will revisit your updated plan at that time, if required.

I hope this is helpful. Please don't hesitate to contact me if there is anything you wish to discuss further.

Yours sincerely



John Kemp

Interim Chief Executive

cc: Keith Fulton, Acting Chair
Derek Smeall, Vice Principal NCL: Strategy and Corporate Performance
Derek.Smeall@nclan.ac.uk
Brian Gilchrist, Assistant Principal NCL: Organisational Development
Brian.Gilchrist@nclan.ac.uk
Iain Clark, Vice Principal NCL: Resources Iain.Clark@nclan.ac.uk
Lorna MacDonald, Director of Finance, SFC lornamacdonald@sfc.ac.uk
Michael Cross, Interim Director of Access, Skills and Outcome Agreements,
SFC mcross@sfc.ac.uk
Linda McLeod, Assistant Director/Outcome Agreement Manager, SFC
lmcleod@sfc.ac.uk