



Agenda

NCL Board Finance Committee

Monday 23rd February 2026 – 5.30 pm at the Cumbernauld Campus and Via Teams

1. Chair's welcome
2. Apologies for Absence
3. Declarations of Interest
4. Minutes of Meetings Minute Posted - PB
 - 4.1 Minute 17th November 2026 **(FA)**
 - 4.2 Minute 1st December 2025 **(FA)**
5. Matters Arising from the minutes
 - 5.1 Format Management Accounts Verbal Update – LM
 - 5.2 UWS Invoicing Procedure Verbal Update – LM
 - 5.3 Update on the ALF Verbal Update - LM
6. Financial Sustainability **(FI)**
 - 6.1 NCL Cash Flow Management Verbal Update – LM
 - 6.2 Strategy 2030 Update Verbal Update – CM/ES
 - 6.3 Scottish Government Budget 2026/27 Letter Posted – RS/LM
7. NCL Management Accounts **(FI)** Paper Posted - LM
8. NCL Educational Foundation Update **(FI)** Verbal Update – LM
9. Annual Procurement Report Paper Posted- LM
10. Cumbernauld Nursery Verbal Update - JL
11. Finance Committee Business Papers Posted- KF/BS
 - 11.1 Terms of Reference of the Finance Committees **(FR)**
 - 11.2 External Evaluation **(FI)**
 - 11.3 Committee Self- Evaluation Questionnaire 2026 **(FA)**
 - 11.4 Board Development Plan **(FI)**

FI = For Information FA = For Approval FR = For Recommendation

***= non disclosable # = Future Publication .**

Name Abbreviations: IC = Iain Clark, CM = Christopher NCL Principal; BS/DMcG = Board Secretary RS= Ronnie Smith :RG = Ronnie Gilmour Deputy Principal; JL=Jennifer Lowe Deputy Principal PB = Paula Blackadder BP = Barbara Philliben; DC=Dugald Craig; LM= Lynn McKenzie NCL Finance Team; PN=Penny Neish

Diane McGill Board Secretary

New College Lanarkshire: Registered Charity Number SC021206



12. Approval of publication of committee papers from this meeting **(FA)** BS
- 13 AOB
 - 13.1 Any matters arising from RGP papers provided for information
 - 13.2 AOB
14. Date of Next Meeting NCL Finance Committee: The next scheduled meeting of the committee is the 18th May at the Motherwell Campus.

RGP Committee Papers For Information (FI)

- | | |
|--|-------------------|
| 1. Update from RGP Committee on ICT at NCL * (FI) | Paper posted - RG |
| 2. Update on Systems Development at NCL (FI) | Paper Posted - RG |
| 3. Update from RGP Committee on NCL Estate* (FI) | Paper Posted - RG |

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Minute Finance Committee

Monday 17th November 2025 – 5.30 pm at the Cumbernauld Campus and via Teams

Present: Moira Jarvie, Elaine Loudon, Christopher Moore, Barbara Philliben.

Via Teams: Paula Blackadder.

In Attendance: Ronnie Smith, Ronnie Gilmour, Jennifer Lowe, Lynn MacKenzie, Diane McGill, Penny Neish and Elliot Scott.

1. Chair's welcome: Paula Blackadder welcomed everyone to this meeting of the Committee.

2. Apologies for Absence: There were no apologies.

3. Declarations of Interest: Ronnie Smith declared an interest as a Director of AMCOL. Jennifer Lowe and Moira Jarvie declared that they are members of the Cumbernauld Nursery Board.

4. The minutes of Meeting 8th September 2025 were approved.

5. Matters Arising from the minutes:

5.1 SFC and Management of Cash Flow: Lynn MacKenzie reported that the cash flow position was all right up to the end of February 2026. Then, as has been reported before and if there is no further injection of funds from the SFC, there will be a need to approach the SFC and AMCOL for cash advances as has been the case in Feb/March 2025. The SFC have so far supported this approach. The FFR was submitted in June 2025 showing a deficit position of £1, 349 k before agreed mitigations at the Board on the 6th October 2025.

5.2 Format Management Accounts: Lynn MacKenzie suggested a change to the format of the management accounts to make them more accessible to the committee. And focussing more on the current position as opposed to the historical position. The committee will make comment and this may take some iterations to settle on the best presentation.

5.3 Procurement Update: Approval had been managed by written procedure with the Chairs' Committee. Some information was still to be presented by SLC. The Annual Procurement report and Modern Slavery Statement would be presented at the next meeting of the Finance Committee on the 1st December 2025.

6. Financial Sustainability

6.1 NCL Cash Flow Management: Lynn MacKenzie informed the committee that the September 2025 cash flow was as expected. The SFC had advanced £3 million in March 2025 and this had been repaid in April 2025. The FFR submitted at the end of June showed a £1.349 k deficit for 2025/26 but there had been subsequent Board agreement to mitigations to arrive at a break- even budget. Cash flow management was depending on a combination of advancements and repayments to the SFC and to AMCOL. There was also the issue of the £4.5 million that had been received from the SFC last year and which was under discussion with regard to NCL retaining those funds.

6.2 Strategy 2030 Update:

6.2.1 Christopher Moore updated the committee on the activity being undertaken to schedule faster payment of the invoice to UWS for the undergraduate school. He had a meeting with the UWS Deputy Principal next week to discuss this. Moira Jarvie highlighted the issue with SAAS funding and when this would be released by SAAS. There would be a concerted effort to get the funding due as quickly as possible.

6.2.2 Christopher Moore informed the Board that Strategy 2030 was now being refined to take on board the comments that had been made at the Board Strategy day on the 3rd November 2025. A list of partnerships would be added to the paper for presentation to the Board on the 8th December 2025 and for the Board's approval of the strategy. He noted that there were new partnerships being formed highlighting the new one with the Lanarkshire Voluntary Action Network (VANL).

7. Finance Reports

7.1 2024/25 Year end forecast: Lynn MacKenzie reported that the external audit had gone well this year and there was a projected surplus for the group of £124k. There had been discussion about the new accounting treatment for leases and she had now gone through the Microsoft leases. There would be a point in the audit report about this.

7.2 AMCOL Accounts: Lynn MacKenzie informed the committee that results were as expected for the AMCOL accounts. This year Audit Scotland had spoken with the AMCOL Auditors McDaid's and had the information that had been requested. There had also been some delays from McDaid's this year and the AMCOL accounts had not yet been signed off though this was to happen in the near future. It was noted that AMCOL had made a donation to NCL with regard to operating costs on NCL premises and the transfer of funds to NCL to assist with its cash flow and that this transfer had been repaid.

8. FFR 2025/26:

8.1 The Committee noted that the FFR had been submitted at the SFC request at the end of June 2025 showing the full extent of the financial situation without the subsequent mitigations agreed by the Board on the 6th October 2025. These mitigations were reported to the SFC at the quarterly outcome meeting and there had been a further meeting with the SFC on the 11th November 2025 at their request to discuss the financial position and the NCL planned route forward.

8.2 Lynn MacKenzie reported that the VS scheme was in train with a number of applications now received. The committee noted again the external factors impacting on the financial position: unfunded or part funded salary increases, NI increases and a lack of certainty about the SFC position in addressing these issues.

8.3 Paula Blackadder asked about the position regarding the Motherwell Cladding. The committee was informed that the RGP committee had received a copy of a report from Atkins which has set out options which boiled down to either a single project re-build at £4.2 million or a phased re-build at £4.4 million although that would be subject to inflation. It had been agreed at the RGP that this report should be shared with the SFC. In the meantime, the college had made an application to the SFC emergency capital fund and was awaiting the result of the application.



9. NCL Educational Foundation Update: Lynn MacKenzie informed the committee that the next meeting of the Foundation Board was on Thursday. There was £18,684 in the bank account. There was a cheque from Lady Haughey that was still to be banked. There was also a contribution of £1,300 being made by a member of staff who had fundraised for the Foundation and the upcoming NCL Chair's whisky tasting event would also make a very welcome contribution as would the Brae Wee Shop. The costs of breakfast in October had been £ 2,749. The Committee noted the report.

10. Approval of publication of committee papers from this meeting: The Committee approved the publication of the agenda and the minute,

11 AOB

11.1 Any matters arising from RGP papers for information. The following papers were presented for information:

- Update on the Cumbernauld Nursery
- Update from RGP Committee on ICT at NCL
- Update on Systems Development at NCL
- Update from RGP Committee on NCL Estate

There were no questions from members of the committee.

11.2 There was discussion about the wind up of the Arms- Length Foundation (ALF). Lynn MacKenzie informed the committee that she had been in touch with the trustees. One had not been contactable but the majority had agreed to winding up the trust and transferring the remaining amount of c. £12,500 to the college.

Action: The Board Secretary requested that there should be a check with the lawyers on this process because the trust was arms- length with no direct link to the college and it should not be assumed that an automatic transfer to the college would be appropriate. Ronnie Smith also requested that this be checked. Lynn MacKenzie would report back to the committee on this matter.

12. Date of Next Meeting NCL Finance Committee: The next scheduled meeting of the committee is the 1st December 2026 at the Cumbernauld Campus to recommend the NCL Group Financial Statements 24/25. The next meeting is on 23rd February 2026 at the Cumbernauld Campus and via Teams.

T: 0300 244 4000
E: scottish.ministers@gov.scot

Issued via email.

26 January 2026

Dear Chair,

Scottish Government Budget 2026/27 and Public Sector Reform

The financial landscape for Scotland's public sector has been, and remains, challenging. The important role that you play in leading your board and your college through this is recognised and valued. I appreciate that you have made significant efficiency savings over the past few years, to ensure continuity of service for learners. Thank you for your commitment and contribution during these challenging times. In order to make progress towards a better future, many of the issues facing colleges have been discussed and progressed through the College Tripartite Group, with the Scottish Funding Council and Colleges Scotland, and it has become clear that more a fundamental look at the future of sector is collectively needed to support learners and a thriving, modern economy.

Technology, society and the economy are changing at pace, and it is vital that the college sector evolves and adapts to provide what learners and businesses need in the next quarter of the 21st Century and beyond. Colleges Scotland, on behalf of the sector, provided a 'Future Positive: Colleges Scoping Document' that I understand you have seen. It is a helpful and welcome proposal.

In recognition of these facts, the draft budget laid in Parliament on 13 January included a significantly above inflation uplift for colleges. Specifically:

- The budget delivers a combined increase of £70m in resource and capital funding, equivalent to 10% uplift on last year's budget, taking our total investment in core college funding to £764m.
- Colleges will see an increase in resource funding of £61.4m, equivalent to 9.3% (from £659.7m in 2025-26 to £721.1m in 2026-27). The uplift includes £7m to support the increase in employers NICs, introduced by the UK government in 2025-26 together with a £14m switch from capital to support the correct classification of college estate maintenance spend.
- Capital funding for the college estate maintenance and improvement has increased by £8.2m, equivalent to 24% (from £34.5m in 2025-26 to £42.7m in 2026-27). This excludes spending on major capital projects (such as DLC) which fluctuate annually.
- There is an uplift to the College Public Private Partnerships (previously NDP) budget allocation of £0.9m to cover forecast statutory/contractual costs in 2026-27.

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- The decrease in college capital against 2025-26 published budget figures of £21.0m (32%) reflects spend on major campus investments (such as DLC). When that planned profile is accounted for, there is an £8.2m (24%) uplift for college infrastructure.

This uplift in investment is intended to help give the sector as a whole space and stability, and to work collectively with the Scottish Funding Council and Scottish Government to explore, design and move towards a sustainable sector for the future.

As a College Chair we know that you will appreciate that you have a particularly important role to play in supporting this shared work and the deep collaboration that is needed across the sector. We all need to consider matters beyond individual organisational interests and deliver the best outcomes for Scotland, both now and in the future. With that in mind, my colleagues and I look forward to engaging with you in the period ahead on our shared necessity to:

- **Ensure effective partnership working** with other organisations and actively participate in reference groups, discussion forums, and open meetings.
- **Foster regional and cross-regional collaboration** to ensure colleges meet economic, social, and educational needs.

Please do contact me and my officials if you have any queries about this work and how you can contribute fully to it.

Thank you for all of the important work you and your board are taking forward.

Kind regards,



BEN MACPHERSON MSP
Minister for Higher and Further Education

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

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Terms of Reference Finance Committee

1. Membership/Attendance

1. The Committee shall comprise of at least two non-executive Board Members of whom one will be appointed as Chair. The Principal of New College Lanarkshire will be a member. Any other member of the Colleges' Senior Management Teams must not be a member of the Committee though they may be in - attendance at Committee meetings at the discretion of the Committee.
2. The Committee may, if it considers it necessary or desirable, co-opt non-executive members who are not members of the Board of Management but have particular relevant experience or expertise. Such members will not normally be appointed Chair of the Committee and will not have a vote.
3. Members may be excluded from membership of the Committee if (based on objective criteria) their membership is perceived as compromising the Committee's objectivity or independence. Such a decision will require the approval of the Board of Management. Members of this committee would not normally be members of the Audit Committee.
4. Individuals may remain members of the Committee for as long as they are Board Members.

2. Quorum: The quorum for meetings of the Finance Committee shall be three members.

3. Proceedings of the Committee

1. The Committee shall meet not less than three times per year timed to coincide with the reporting deadlines for meetings of the Board of Management.
2. The Committee has the authority to consider any matters within its terms of reference.
3. The Governance Professional to the Board of Management will normally act as Secretary of the Committee unless the NCL Board decides that this is inappropriate.

4. Reporting by the Committee: The Chair of the Committee will report on every meeting of the Committee to the NCL Board. This will include circulation of Committee Meeting minutes to NCL Board Members.

5. Duties of the Finance Committee

The Committee shall take the Code of Good Governance into full consideration in the conduct of its business and shall be responsible for the following matters:

1. Specifically recommend the New College Lanarkshire Annual Operational Budget prior to submission to the NCL for formal approval and to receive monitoring reports on the budget.
2. Monitor and control New College Lanarkshire's performance in terms of issues relating to Value for Money and to receive monitoring reports on financial performance.
3. Review the New College Lanarkshire's Annual Report and Accounts and to receive reports on the financial position.
4. Receive financial reports on a quarterly basis to ensure the appropriate and effective use of New College Lanarkshire funds.

6. Effectiveness of the Finance Committee

Assessment of the effectiveness of the Committee will comprise:

1. Self-assessment by the Committee on an annual basis and feedback from the New College Lanarkshire's senior management. The self- assessment will be reported to the NCL Board.
2. The assessment will include checking compliance with the Code of Good Governance.
3. Feedback from Internal and External Auditors

The assessment may be carried out by external consultants through the Governance External Review (GER) process every 3-5 years provided that they are not the provider of the internal or external audit service.

The Lanarkshire Board

Externally Facilitated Effectiveness Review May 2025



Candy Munro
CDN Associate
candy.munro@btinternet.com
W: www.cdn.ac.uk

Contents

1	INTRODUCTION	3
2	EXECUTIVE SUMMARY	4
3	EFFECTIVENESS REVIEW AGAINST THE CODE FOR GOOD GOVERNANCE IN SCOTLAND'S COLLEGES	5
3.1	Leadership and Strategy.....	5
3.2	Quality of the Student Experience.....	6
3.3	Board Accountability.....	6
3.4	Board Effectiveness.....	7
3.5	Relationships and Collaboration.....	9
4	RECOMMENDATIONS.....	10
5	ANNEX 1	12
5.1	Document Review.....	12

1 INTRODUCTION

The Code of Good Governance for Scotland's Colleges (the Code) sets out the principles of good governance for colleges in Scotland. This review is against the 2024 Edition of the Code.

All colleges that receive funding from the Scottish Funding Council or a regional strategic body must comply with the Code as a condition of grant. Each board must state its adoption of the Code in its corporate governance statement contained within its annual financial statement.

The five principles set out in the Code provide a framework within which colleges are expected to develop their own policies and procedures.

The Code states that the college board must have in place a robust self-evaluation process. Para D. 24 states

'The Board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three to five years.'

'The Guide for Board Members in the College Sector' and the 'Board Development Framework' provide additional guidance for college board members and Governance Professionals.

Methodology

This external effectiveness review included a series of stages aimed at building up an overview of the board's effectiveness. The key elements of the review process were:

- Initial meeting with the Chair, SIM, Governance Professional and the Executive Advisor to the Chair to agree the scope of the review and the overall project plan
- Observation of the 17 March 2025 Board meeting
- Desk review of core governance documentation, including Board and committee papers, see Annex 1.
- Interviews with 12 Board members including the Chair, Vice Chair, SIM, both Principals, student, and staff members and each of the Committee Chairs
- Board survey to seek Members' views of governing processes
- Board workshop to review the conclusions and recommendations from the EER

2 EXECUTIVE SUMMARY

This is an external effectiveness review of the combined Lanarkshire Board (Regional Strategic Body) and the New College Lanarkshire Board (Regional College). Under the current structure South Lanarkshire College is assigned to the Lanarkshire Board.

The Lanarkshire Board (RSB) will be dissolved on 31st July 2025 by Scottish Government and New College Lanarkshire (NCL) and South Lanarkshire College (SLC) will become two distinct Regional Colleges.

The transition from a RSB to a smaller and simpler structure as a Regional College presents a range of opportunities for the New College Lanarkshire (NCL) Board to spend more time on strategic decision making, operate as a team, and continue to innovate and focus on the needs of NCL students.

The transition is being carefully planned. It will be important to ensure that the Board of NCL has the right number of members with the blend of skills and experience required by the college. This will require succession planning and building the 'new' Board as a team, which should be a priority.

This is a strong Board with an excellent range of skills and experience amongst the membership.

The launch of the NCL Strategy 2030 is an opportunity to harness the enthusiasm and commitment of the Regional College Board around the new strategic plan. Board members have been engaged in the development of the new strategic plan.

The Board benefits from strong leadership from an experienced and skilled Chair who encourages contribution from all members, builds consensus, and effectively sums up Board discussions and decisions.

There is a constructive working relationship between the Board and the executive team based on respect and a mutual understanding of each other's roles. This is an engaged and supportive Board.

Compliance with the Code of Good Governance is monitored and reported to the Board through a compliance checklist which is maintained by the Governance Professional.

3 EFFECTIVENESS REVIEW AGAINST THE CODE FOR GOOD GOVERNANCE IN SCOTLAND'S COLLEGES

3.1 Leadership and Strategy

This is a large and complex Board which has faced some significant challenges over recent years. Despite this the college has maintained a focus on the quality of the student experience and has continued to be innovative and develop new courses, and funding streams.

The Board is effectively led by a strong Chair, and high levels of satisfaction in the strategic leadership of the Board were expressed in the Board survey. Board culture is constructive, inclusive, value driven and transparent. Despite the size of the Board participation is encouraged from all members who feel that their contribution is valued.

Decisions are made in the spirit of collective responsibility and are effectively summed up by the Chair.

NCL members have been fully engaged with strategic planning and the development of the NCL 2030 Strategy which will launch in September 2025. Members participated in a strategy development day in February 2025, which involved agreeing a clear purpose for the college.

The strategic planning process has included consultations with trade unions and staff as well as external stakeholder engagement.

The Board should agree on a set of strategic KPIs to underpin the strategy. Members should expect to receive regular strategic business reports on progress against the agreed KPIs with a supporting narrative highlighting any variances and executive team interventions.

The transition to a smaller regional board and the development of the new strategy presents an opportunity to harness the enthusiasm and commitment of NCL board members around the strategic plan and the building of the 'new' board team.

3.2 Quality of the Student Experience

The quality of the student experience is clearly central to board discussions and decision making.

The Curriculum, Student Affairs and Outcomes Committee has oversight of the quality and inclusivity of student experience and ensuring that learning provision meets the skills requirements of both local and national economies. To ensure the student perspective is considered membership of the CSAO committee includes student members.

Reports are presented to the Curriculum and Student Affairs Committee and the Board from both NCL and SLC student associations. As part of the transition to the new structure, and in recognition of the importance of the student input, consideration should be given to moving the Student Association Report up the Board and committee agendas to be the first item after the minutes and declarations of interest.

Resources have been invested in a range of activities to support students and enhance the student experience, as well as improving retention of students at risk of leaving, such as the Wellness Academies.

The Undergraduate Programme, in partnership with the University of the West of Scotland, is evidence of an innovative approach which allows students to study a range of industry focussed degree programmes designed to meet specific skills needs in the region.

3.3 Board Accountability

The Curriculum, Student Affairs and Outcomes Committee monitors the delivery of the regional outcomes agreed with the SFC and reports back to the Board.

Board decision making is rigorous, properly informed, and timely. Board papers support effective decision making but can be lengthy, the volume of papers should be kept under review. All Board papers would benefit from a brief introduction highlighting the purpose of the paper and the Board action required, i.e. for decision, for discussion, for noting or other action.

Board and committee minutes should be more succinct, referencing the papers presented to the Board or committee, and recording the decisions made and agreed action points.

Finance committee and Board papers would benefit from greater structure, clarity, and narrative, especially for members who do not have a background in finance or accountancy.

The committee structure works well; all committees are effectively led by experienced and skilled Chairs and have an excellent range of skills and experience in the members. All committees have Terms of Reference which are updated and reviewed on a three yearly basis.

Committee Chairs provide feedback to the Board, highlighting any items that might require further discussion by the Board.

There is an appropriate level of trust in the committees to scrutinise and provide assurance to the Board.

There is an effective and mature relationship between the committee members and the senior staff that support the relative committees.

Co-ordination of the work of the committees is done through the Chairs Committee. To avoid any overlap or duplication the Chairs Committee should monitor which reports are submitted to each committee.

Consideration should be given to the ARC and Finance committee meeting, annually, to discuss issues that are common to the work of both committees.

Management of risk is robust, the Regional Strategic Risk Register is reviewed and updated on a regular basis by the Regional Strategic Risk Management Group and the Audit and Risk Committee. Any changes in the RAG status are highlighted for Board attention.

The Board has effective financial monitoring arrangements in place. However financial sustainability is an ongoing challenge and a concern for the Board and the college in the current financial climate.

New income streams such as the Undergraduate School have created additional income which have resulted in an improvement in the college's projections for the underlying operating position for 2024/25.

3.4 Board Effectiveness

The Board is effectively led by an experienced and skilled Chair who promotes an open and transparent culture and encourages effective contribution from all members. There is an appropriate balance of constructive challenge and support provided to the Principal and executive team.

There is an effective working relationship between the Chair, Principal, Governance Professional and the Advisor to the Chair.

The Board has appointed an experienced SIM who leads on the annual appraisal of the Chair.

The Board is well supported by an experienced Governance Professional who provides effective advice and support on the governance of the college.

New members receive induction training which includes meeting the Chair, Chairs of the committees and the opportunity for campus visits. Members are encouraged to participate in the CDN on-line Induction Module. A mentoring programme is also available and is valued by newer members.

All members have an annual appraisal meeting which provides an opportunity for members to consider their ongoing training and development needs.

The Board Development Plan is based on feedback from the annual self-evaluation and Board member appraisals. Members are encouraged to engage with training offered by CDN.

Understanding the external operating environment is important and members would benefit from the opportunity to hear directly from key stakeholders. Consideration should be given to introducing informal stakeholder engagement sessions before Board meetings.

The Code requires that the Board must keep its effectiveness under annual review and that there is a robust self-evaluation process in place. Members are asked to evaluate the performance of the Board and any committees they are members of. However, there does seem to be an element of 'survey fatigue' and concerns around the frequency that members are expected to complete questionnaires.

The self-evaluation process could be simplified by reducing the number of questionnaires and introducing a workshop-based approach to self-evaluation. These could be independently facilitated and would be aimed at producing more meaningful results based on discussion between members.

Rather than repeating the same exercise each year, annual self-evaluation could be achieved within the context of a three-year cycle of

- self-evaluation
- action planning and the production of the Board Development Plan,
- workshops to review progress review against the Board Development Plan and the identification of further areas for development to be included for the coming year.

This would provide a more dynamic and effective approach to annual self-evaluation, reduce 'survey fatigue' and present further opportunity board member engagement and team building.

3.5 Relationships and Collaboration

Stakeholder engagement has formed an important part of the strategic planning process and the development of the NCL Strategy 2030.

As noted above, members would benefit from the opportunity to hear directly from key stakeholders. Consideration should be given to introducing informal stakeholder engagement sessions before Board meetings.

The college has been innovative in its approach to partnership working as demonstrated by the development of the Undergraduate Programme in partnership with UWS.

4 RECOMMENDATIONS

1	Strategic KPIs - The Board should agree on a set of strategic KPIs to underpin the strategy. - Members should receive regular reports on progress against the agreed KPIs with a supporting narrative highlighting any variances and executive team interventions.
2	Build the new Board team - The transition to a smaller regional board and the development of the new strategy presents an opportunity to harness the enthusiasm and commitment of NCL board members around the strategic plan and build the 'new' board team. - Succession planning is important to ensure the Board, and the committees have the skills and experience required by the 'new' Board.
3	Student Association Reports to the Board As part of the transition to the new structure consideration should be given to moving the Student Report up the Board and committee agendas to be the first item after the minutes and declarations of interest.
4	Board and Committee Papers - Board papers can be lengthy; the volume of papers should be kept under review. Board papers would benefit from a brief introduction highlighting the purpose of the paper and the Board action required, for discussion, for noting or for decision. - Board and committee minutes should be more succinct, referencing the papers presented to the Board or committee, and recording the decisions made and action points. - Finance committee and Board papers would benefit from greater structure, clarity, and narrative, especially for members who do not have a background in finance or accountancy.

5	Committees • Consideration should be given to the ARC and Finance committees meeting, annually, to discuss issues that are common to the work of both committees. • To avoid any overlap or duplication the Chairs Committee should monitor which reports are submitted to each committee.
6	Board Member Development • Members would benefit from the opportunity to hear directly from key stakeholders. Consideration should be given to introducing informal stakeholder engagement sessions before Board meetings. • A key stakeholder mapping exercise would enable members to better understand the wider operating environment and support effective decision making.
7	Annual Board Self Evaluation • A more dynamic approach could be considered based on a three-year cycle of evaluation, as detailed above.
8	Website • Post dissolution, review the Board section of the college website to add biographies for all members and to ensure that all the governance documentation is up to date.

5 ANNEX 1

5.1 Document Review

1. New College Lanarkshire Code of Conduct
2. Scheme of Delegation and Standing Orders
3. Committee Terms of Reference, Structure and Membership
4. Review of Compliance with the Code: New College Lanarkshire/ The Lanarkshire Board
5. New College Lanarkshire 2023/24 Annual Audit Report
6. Lanarkshire Board Regional Financial Statements to July 2024
7. Board agenda and papers for December 2024 and March 2025 meetings
8. New College Lanarkshire Internal Audit 2021-22 - Corporate Governance & Risk Management April 2022
9. Lanarkshire Board Development Plan
10. Meet the Board
11. Regional Strategic Risk Report February 2025
12. Lanarkshire Board response to the consultation on the RSB dissolution.

Footnote

The reviewer would like to thank the Board Chair, Principal, members, and the Governance Professional for their assistance and insight with this external effectiveness review.



New College Lanarkshire Self – Evaluation Framework

1. Introduction

1.1 The Code of Good Governance for the College Sector sets out that the Board must keep its effectiveness under annual review and have in place a robust self – evaluation process (see Appendix 1).

1.2 The New College Board – formerly the Lanarkshire Board – has undertaken annual self-evaluations as required by the Code of Good Governance. The framework for the self- evaluation has been conducted using questionnaires which have been derived from CDN templates as follows:

- Review Questionnaire for each of the main Committees – CSAO, ARC, RGP and Finance – sent out to each of the Committee members asking them to complete the questionnaire and send it back to the Board Secretariat.
- A second Committee questionnaire sent out to each of the Committee Chairs again asking for this to be returned to the Board Secretariat.
- A Review Questionnaire on the Board sent out to each member of the Board asking them to complete it and send it to the Board Secretariat.
- A Review Questionnaire on the performance of the Chair sent out to each member of the Board asking them to complete and to send back to the Board's SIM.
- One to one sessions annually with the Chair and each Board Member to agree a Personal Development Plan (PDP) for each Board Members with follow up training mentoring arranged if required.

1.3 This Framework results in the following outputs:

- A self - evaluation report which is collated from the Committee and Board Review Questionnaires returned from the Board Members.
- A review of the Chair which is produced from returned questionnaires by the SIM.
- A Board Development Plan for the Board.
- Individual PDPs.

2. Self- Evaluation Issues

2.1 The basic issue is that the completion and return of the questionnaires from Committee and Board Members is decreasing despite the best efforts of the Board Secretariat to have this prioritised and persistent follow up from them with Board Members. This is also the case with the questionnaire on the Chair's performance from the SIM.

2.2 Board Members feel that they have no longer completed one set of forms when they are asked to complete another and there is no defined period for implementation of any suggested improvements.



2.3 This has been an ongoing issue for some time now and there have been suggestions from Board Members in the past that there should be an approach which is cyclical over a longer period. A year of the evaluation questionnaires followed by an implementation period / focus on issues identified and then external review after 5 years.

2.4 CDN undertook an external evaluation of the Lanarkshire Board in 2025 and they were specifically asked to review and comment on the Self - Evaluation framework. The comments from CDN in their external evaluation report are as follows:

The Code requires that the Board must keep its effectiveness under annual review and that there is a robust self-evaluation process in place. Members are asked to evaluate the performance of the Board and any committees they are members of. However, there does seem to be an element of 'survey fatigue' and concerns around the frequency that members are expected to complete questionnaires.

The self-evaluation process could be simplified by reducing the number of questionnaires and introducing a workshop-based approach to self-evaluation. These could be independently facilitated and would be aimed at producing more meaningful results based on discussion between members.

Rather than repeating the same exercise each year, annual self-evaluation could be achieved within the context of a three-year cycle of

- self-evaluation
- action planning and the production of the Board Development Plan,
- workshops to review progress review against the Board Development Plan and the identification of further areas for development to be included for the coming year.

This would provide a more dynamic and effective approach to annual self-evaluation, reduce 'survey fatigue' and present further opportunity board member engagement and team building.

2.5 There are also new factors to take into consideration: the first is the document from the SFC on its expectations from Good Governance and the CDN's document in response to that and secondly there is also the recommendation from the external auditors in their annual report that there is a review – post dissolution as follows:

The Strategic Regional Board was dissolved on 30 July 2025. Under the Strategic Regional Board arrangements, South Lanarkshire College officers attended committee meetings. The dissolution provides an opportunity for the college to review and re-assess governance arrangements to ensure these remain appropriate for NCL. There is a risk that committee arrangements are not revised to suit the needs of NCL. **Details of agreed action:** Committee structure will be included in the evaluation for 2026 and this will start in the February / March 2026 Board cycle



2.6 The SFC expectations document places emphasis on external evaluations (calling them Governance Effectiveness Reviews (GERS) as opposed to external evaluations) with the view that at the moment they are focussed on Board Development but that they should also give financial assurances. The SFC sets out the availability of following documents under the OFAM:

- Internal audit reports
- Corporate Governance Statements within the external auditor's annual reports and the Financial Statements
- Annual Reports and accounts meeting the FM and sector good governance
- Governance Effectiveness Reviews

The SFC will now consider the opinions in the external audit reports and monitor the timely response to recommendations. It will enhance contact with the internal and external auditors, look to whistleblowing policies being in place and that there is scrutiny of institutional strategies with consistency of information to Boards. There will also be assessment of the quality of financial oversight exercised by the Finance Committee and the Board. This should be a clear component of the GERS process and revised guidance should highlight this requirement.

2.7 The SFC notes the need for additional guidance on what assurances are required and notes that there is no standard approach to the GERS. On Board who were asked by the SFC to undertake a desk exercise reviewing the GERS have recommended document review, observation of Committees and the Board meetings. A survey or questionnaire, Board Member interviews and a workshop to give Board Member reviews. This is in fact exactly what CDN did in the Lanarkshire Board/NCL external review last year.

2.8 The SFC highlights the need for improved Board Training and CDN have highlighted the training that is available on their website. The SFC will work with CDN and Advance HE on supplemental training on SFC expectations of Board Members.

2.9 There is also reference to the OFAM meetings engaging with institutions about the On Board review findings and at the NCL OFAM meeting the SFC manager stated that governance would be on the agenda for at least one of the four OFAM meetings held with the SFC each year. This may be with Board Members included in future.

3. Proposed Revised Self- Evaluation Format for 2006.

3.1 It is proposed that the framework is adjusted this year as follows:

- **Undertaking the review of the Committees by setting out time in each Committee to go over the last collated return from that committee thus holding a workshop within the committee rather than separately organising another meeting unless there is a need to do this. In other words, the committee will look at what it said collectively the last time and update or amend. There will be an additional section in the questionnaire for the comments from the Chair of the Committee instead of asking them to complete a further questionnaire.**
- **The same approach would be taken for the Board review with an additional section in the questionnaire for the Board Chair to make comment.**
- **The SIM review will stay as usual with a questionnaire sent out to all Board Members and a separate report compiled by the SIM.**
- **The one to ones with the Board Members would be conducted as usual.**
- **An updated Board Development Plan will be produced for the Board.**



3.2 There has already been discussion of the SFC expectations document in the NCL ARC and Audit Scotland were asked if they had been consulted on this requirement for additional financial assurance. It would appear that there hasn't been consultation at this stage. Audit Scotland already undertake a review of Board documentation – Committee and Board Minutes, whistle blowing and other policies, the Register of Interests. There is a Governance Statement in the Financial Statements which has been formatted on Audit Scotland's advice. There are potential approaches to provide the financial assurance that the SFC want (once they have come to a view on what this is) and this could come through the external audit process and be incorporated into the GERS when it is undertaken. For example, this could be in terms of an enhanced governance statement in the accounts or an additional letter from both auditors as part of the annual audit process. This would be provided with the accounts in December and this could then be incorporated into the self- evaluation process in the following board cycle in February March which will be reported to the Board in June. The Code of Good Governance checklist could be reviewed by the Executive Board and also go to the Board in June. The OFAM meeting in March or June could have the Financial Assurances on its agenda and this completes the inclusion of the SRC in the process. This would keep any additional work to a minimum and give an annual review which can then be incorporated to a three or five year cycle with the GERS.

3.3 There should be dialogue with the auditors, the SFC, Colleges Scotland, CDN on the simplest and least burdensome and effective way of getting the assurance required and incorporating this into the accounts/self- evaluation process/

4. Recommendation

4.1 It is recommended that this approach set out at para 3.1 above is trialled for this year and is part of a cyclical approach that would require a full review every third year with an external evaluation every 5th year. It is noted that the SFC may look to a GERS every 3 years – the Good Governance Steering Group will determine this. In this case, there would be a GER very third year with the new follow up arrangements proposed above in years 2 and 3.



Appendix 1 Extract from the Code of Good Governance

D 24 The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness every three to five years. The board should determine the timing for this externally facilitated review as part of the annual effectiveness review. The board is not required to conduct a self-evaluation of its effectiveness in the same year as an externally facilitated evaluation. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online.

D.25 The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs. The evaluation of the board chair should normally be led by the senior independent member.

D.26 The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the board.

D.27 The performance of regional college chairs will also be evaluated by the Scottish Government, as regional college chairs are appointed by the Scottish Ministers and are personally accountable to them.

D.28 The performance of assigned, incorporated college chairs will also be evaluated by the regional strategic body, as they are appointed by the regional strategic body and are personally accountable to them.



Board self-evaluation 2026

“The Board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness every three to five years.”

Extract from the Code of Good Governance for Scotland's Colleges

Committees

Finance Committee

Against the statement above we are seeking the views of the members of the Finance Committee for the annual self-evaluation exercise for 2026. We propose to do this through discussion at the February meeting of the Finance Committee.

Self-evaluation report 2024

“Committee members’ responses were very broadly in the “1”s category ‘strongly agree’, however there were some “3”s mainly in relation to ‘is the committee forward looking’, and ‘do members have sufficient knowledge to contribute’. The comments on this were helpful. One member gave a “4” to ‘Members feel they have sufficient knowledge to contribute meaningfully. Where there is a personal development/mentoring requirement it is addressed appropriately’. This concern is currently being addressed by the Regional Chair and the Board Secretary with the re-introduction of the Mentoring/Buddying scheme alongside the planned information sessions for all Board members. The quality and accuracy of the minutes of the meeting were strongly supported, dissatisfaction was expressed by the nature of the reports received by the Finance Committee. The Regional Chair will discuss how to address this with the Chair of the Finance Committee.

Comments included:

What we have done well in the last 12 months:

- *Under the current financial crisis, the sector as a whole is in the finance committee operates in a supportive manner to the EB [Executive Board] of the college. It has been difficult times but as a committee we make decisions based on the information provided by the EB;*
- *The committee has worked diligently to ensure compliance with all external timescales.*

Developments I would like to see in the next year:

- *I would like to see more strategic development days to move forward and think out the box. These days can be valuable;*
- *As I do not have a technical financial background it would be helpful to receive more narrative reports which highlight the key issues emerging in the accounting period.”*

External Evaluation Review 2025



**NEW
COLLEGE
LANARKSHIRE**
Bringing Education Closer

“The committee structure works well; all committees are effectively led by experienced and skilled Chairs and have an excellent range of skills and experience in the members. All committees have Terms of Reference which are updated and reviewed on a three yearly basis.

Committee Chairs provide feedback to the Board, highlighting any items that might require further discussion by the Board.

There is an appropriate level of trust in the committees to scrutinise and provide assurance to the Board.

There is an effective and mature relationship between the committee members and the senior staff that support the relative committees.

Co-ordination of the work of the committees is done through the Chairs Committee. To avoid any overlap or duplication the Chairs Committee should monitor which reports are submitted to each committee.

Consideration should be given to the ARC and Finance committee meeting, annually, to discuss issues that are common to the work of both committees.

Management of risk is robust, the Regional Strategic Risk Register is reviewed and updated on a regular basis by the Regional Strategic Risk Management Group and the Audit and Risk Committee. Any changes in the RAG status are highlighted for Board attention.

The Board has effective financial monitoring arrangements in place. However financial sustainability is an ongoing challenge and a concern for the Board and the college in the current financial climate.

New income streams such as the Undergraduate School have created additional income which have resulted in an improvement in the college’s projections for the underlying operating position for 2024/25.

Points the Finance Committee may wish to consider:

- 1. Was the joint meeting with the ARC useful? Should we continue to do this?**
- 2. How can we continue to develop members’ understanding of the work carried out by the college to enable better understanding of the financial pressures the college and the sector are currently experiencing?**
- 3. Any other points you wish to make with regard to the committee structure currently in place?**
- 4. Are there any other points we should be taking into consideration to ensure that the Finance Committee serves the college’s strategy 2030?**

Lanarkshire Board Development Plan 2025/26

CDN carried out an External Effectiveness Review of the Lanarkshire Board from January 2005 presenting its final report at the 9th June 2025 meeting of the Board.

It was an external effectiveness review of the combined Lanarkshire Board (Regional Strategic Body) and the New College Lanarkshire Board (Regional College) with South Lanarkshire College assigned to the Lanarkshire Board.

The Lanarkshire Board (RSB) was to be dissolved on 31st July 2025 by Scottish Government and New College Lanarkshire (NCL) and South Lanarkshire College (SLC) would then become two distinct Regional Colleges.

CDN noted that the transition from an RSB to a smaller and simpler structure as a Regional College presents a range of opportunities for the New College Lanarkshire (NCL) Board to spend more time on strategic decision making, operate as a team, and continue to innovate and focus on the needs of NCL students.

It was also noted that the transition was being carefully planned and that it will be important to ensure that the Board of NCL has the right number of members with the blend of skills and experience required by the college. This will require succession planning and building the 'new' Board as a team, which should be a priority.

CDN made the following observations:

- This is a strong Board with an excellent range of skills and experience amongst the membership.
- The launch of the NCL Strategy 2030 is an opportunity to harness the enthusiasm and commitment of the Regional College Board around the new strategic plan. Board members have been engaged in the development of the new strategic plan.
- The Board benefits from strong leadership from an experienced and skilled Chair who encourages contribution from all members, builds consensus, and effectively sums up Board discussions and decisions.
- There is a constructive working relationship between the Board and the executive team based on respect and a mutual understanding of each other's roles. This is an engaged and supportive Board.
- Compliance with the Code of Good Governance is monitored and reported to the Board through a compliance checklist which is maintained by the Governance Professional.

Recommendations and Board Development Plan 2025/26

1. Strategic KPIs

- The Board should agree on a set of strategic KPIs to underpin the strategy.
- Members should receive regular reports on progress against the agreed KPIs with a supporting narrative highlighting any variances and executive team interventions.

Comment: There were special meetings of the Board on the 3rd February and 3rd November 2025 to consider Strategy and this will come to the Board for final discussion and approval on the 8th December 2025. KPI's for the strategy will be discussed at the Board meeting.

2. Build the new Board team

- The transition to a smaller regional board and the development of the new strategy presents an opportunity to harness the enthusiasm and commitment of NCL board members around the strategic plan and build the 'new' board team.
- Succession planning is important to ensure the Board, and the committees have the skills and experience required by the 'new' Board.

Comment: There is enthusiasm for the new structure and there is now the capacity to focus solely on NCL issues. There is more time in committee and the Board now that there are no SLC items and papers on the agenda. The Chair has a focus on succession planning and this will be a feature of the next recruitment round in January /February 2026.

3. Student Association Reports to the Board

- As part of the transition to the new structure consideration should be given to moving the Student Report up the Board and committee agendas to be the first item after the minutes and declarations of interest.

Comment: The Student Report has now been moved up the agenda for the CSAO Committee and the Board.

4. Board and Committee Papers

- Board papers can be lengthy; the volume of papers should be kept under review. Board papers would benefit from a brief introduction highlighting the purpose of the paper and the Board action required, for discussion, for noting or for decision.
- Board and committee minutes should be more succinct, referencing the papers presented to the Board or committee, and recording the decisions made and action points.
- Finance committee and Board papers would benefit from greater structure, clarity, and narrative, especially for members who do not have a background in finance or accountancy.

Comment: There are now fewer papers post dissolution and this will be monitored. There is a Board cover sheet and its use will be further promoted with the Executive Board. The Board Minutes are under discussion. It had been agreed at the Finance Committee on the 17th November 2025 that the Finance reports will be reviewed for future meetings.

5. Committees

- Consideration should be given to the ARC and Finance committees meeting, annually, to discuss issues that are common to the work of both committees.
- To avoid any overlap or duplication the Chairs Committee should monitor which reports are submitted to each committee.

Comment: There will be a joint meeting of the ARC and the Finance Committee on the 1st December 2025 to recommend the accounts and financial statements. This is the first joint meeting and this could become a standing arrangement.

6. Board Member Development

- Members would benefit from the opportunity to hear directly from key stakeholders. Consideration should be given to introducing informal stakeholder engagement sessions before Board meetings.
- A key stakeholder mapping exercise would enable members to better understand the wider operating environment and support effective decision making.

Comment: There have been presentations to the strategic board meetings from wbj and CDN as well as presentations to the CSAO. The strategic board day on the 3rd November was held the UWS site in Blantyre with a tour of the facilities by UWS. There will be a presentation to the February 2026 meeting of the CSAO committee. There will be other presentations organised during 2026. There will be a paper on partnerships going to the Board on the 8th December 2025 along with Strategy 2030.

7. Annual Board Self Evaluation

- A more dynamic approach could be considered based on a three-year cycle of evaluation, as detailed above.

Comment: This is under discussion and any impact from the recent SFC paper on expectations of governance is being considered along with the CDN response. There will be further discussion with CDN and with the SFC.

8. Website

- Post dissolution, review the Board section of the college website to add biographies for all members and to ensure that all the governance documentation is up to date.

Comment: The website has been refreshed with some last adjustments still to be made for new photographs etc.

Progress on Previous Plan 2024/25

A number of constructive suggestions were put forward by Board members:

- **To strengthen the Induction programme for new Board members;** Inductions are now held with the Regional Team including the Chair and not just the Board Secretary. Recent inductions have also included other Chairs. Linking in with the new CDN induction approach for Board Members with on-line materials. Campus visits around key meetings.
- **To revise and reintroduce the mentoring/buddying programme;** paper setting out mentoring partners recommended by the Chairs Committee on the 16th May 2024 and approved by the Board on the 10th June 2024.
- **To have Information sessions on:**
 - Partner agencies, their structure and how they interact with colleges; launch of the undergraduate school, special meeting of the Board in February 2024 to consider Forward Plan which includes key strategic partnerships. Updates to committees and the Board throughout the year on key partnerships and projects. Special strategy meetings of the Board on 3rd February 2025 and 3rd November 2025. There were presentations from wbj on risk and CDN on Being a Board Member at the February meeting. At the November meeting there was a session on the training resources on the VDN website including jargon busting and college sector finance.
 - Sector jargon and acronyms; There is a CDN resource on this which Board members can access through the CDN website. CDN is welcoming all college Board Members across Scotland to their on – line induction materials. Copies of jargon Busting and college sector finance given to Board members at the November 2025 strategy meeting.
 - Sector finances and how they are constructed; paper produced by Iain Clark and presented to Finance Committee and the Board. CDN also now have an on-line video on this and Board Members will be referred to this. Training given and copied handed out at the November 2025 meeting and these have been posted to the Board Teams site,
 - Cyber security; presentation to the Board 12th June 2024. There are updates at the RGP Committee.
- Risk appetite; Risk Register is presented to the Board at each meeting. Wbg gave a presentation to the Board on 3rd February 2025. The risk register has been refreshed following dissolution so that it is now NCL only with all risks reviewed.
- **To work with the senior team at NCL to ensure members have sufficient and appropriate information to enable them to participate in discussions at the Board and in committees;** Senior managers are in attendance at all committee and Board meetings to provide support to Board Members. Chairs of Committee and the Board encourage participation in meetings and in the work of the Board. For example, the CSAO has reviewed its format and has agreed to have a theme at each meeting and presentations on the theme.
- **To consider better interaction between the Board Committees on key issues** especially in relation to finance and risk where crossover meetings between the Finance and Audit and Risk Committees could be beneficial; RGP papers on estates, IT, and ICT development are now included on the Finance Committee agenda as standard items. This was reviewed by the Chairs committee on the 24th March 2025 and will be reviewed again through the RGP committee.
- **How to involve more Board members in important matters;** Board Members have attended key events, key meetings with the SFC, participated in key procurements and in recruitment

of key senior officers. There will be a Board Calendar of Events which will facilitate further engagement

- **Having strategy sessions outwith the regular Board meetings** which of necessity are heavily laden with process issues leaving little time for discussion and the generation of new ideas; further to strategy events in 2024 and a familiarisation event there have been two strategy events in 2025 on the 3rd February and on the 3rd November.
- **Closer collaboration between the Lanarkshire colleges and the region's agencies;** there are close links with local agencies in any case but the undergraduate school in particular has forged closer links with UWS and with the local authorities with the participation of schools over this year. There is also the SMART Hub with the University of Strathclyde and North Lanarkshire Council. There has been the recent launch of the Brain Health Hub and this is a partnership with Alzheimer's Scotland and collaboration with NHS Lanarkshire and also with a range of companies through the Learning Swell. A partnership paper will come to the Board on the 8th December 2025.
- **Setting a defined annual meeting date for the Remuneration Committee;** This is an ad hoc committee of the Board. It has met throughout the year to consider a number of issues. The Committee will meet to review a number of issues including the setting of an annual date.
- **To review how papers are presented to the Board and to ensure there is a cover sheet setting out the context with clear direction for the Board on the action needed.** Progress has been made with papers now being posted on Teams and cover sheets being used by senior managers and this will be further promoted and is in the 2025/26 plan.