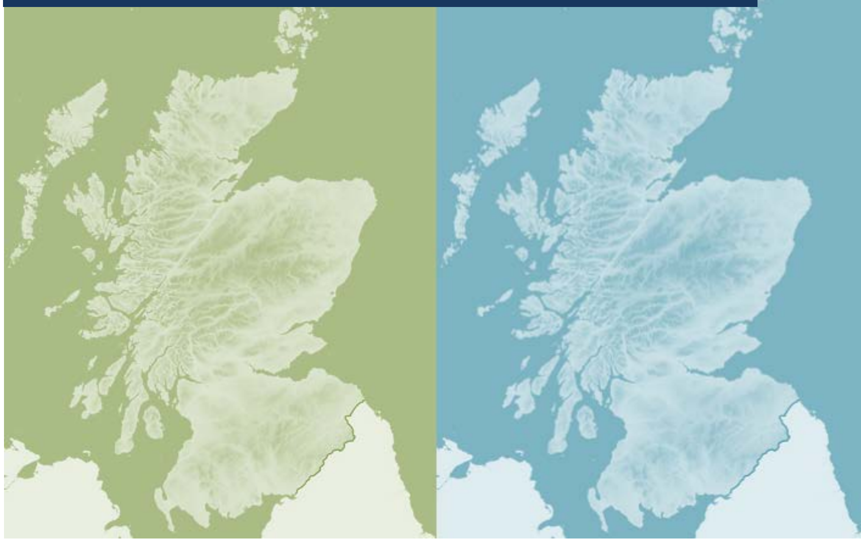
Scottish Funding Council
Promoting further and higher education

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

College Post-Merger Evaluation Report



July 2016

EDINBURGH COLLEGE

SFC post-merger evaluation of the college mergers that took place during the academic year 2013-14

In autumn 2015 the Scottish Funding Council (SFC) began a round of post-merger evaluations of the colleges that merged in the academic year 2013-14. In most cases these evaluations are scheduled to take place two years after the merger.

We are making the outcome of the evaluations available on the SFC website. The first two evaluations were completed in January 2016 and the final evaluation within this tranche of mergers will be June 2016. As new reports are completed they are added to the website.

SFC wrote to the colleges concerned in July 2015 to explain how SFC would carry out the evaluations and what was expected from the colleges. We noted that in carrying out the evaluations across the sector SFC would pay particular attention to the Audit Scotland Good Practice Guide: Learning the lessons of public body mergers.

Colleges are responsible for the implementation of their merger and need to be able to demonstrate the delivery of benefits and performance improvements for all stakeholders including students, staff and employers as outlined in their original merger proposals. The purpose of the merger evaluation is to provide evidence of progress in delivering the intended high level benefits of the merger and to identify lessons learned that support further organisational development and wider learning for the sector.

SFC recognises that good governance and leadership and a culture that is supportive of change and innovation within the merged college are also critical elements in delivering a successful merger. The post-merger evaluation will seek to consider the impact of these elements on the implementation and success of the merger.

Key steps in the post-merger evaluation process are:

- Self-evaluation report submitted by the college.
- SFC review of evidence (including performance indicators).
- SFC arranges discussion sessions/meetings with students, staff, senior managers, the Board of Management and other key stakeholders.
- SFC prepares the formal post-merger evaluation report.

Self-evaluation report submitted by the college

SFC requires that each college submits a self-evaluation at the start of the process. The self-evaluation report should include an assessment of merger benefits and outcomes that have been achieved, developments that have still to be implemented and other relevant information.

SFC review of evidence (including PIs)

SFC reviews and evaluates existing information and data that we have regarding the merger implementation and the colleges' operations through ongoing SFC engagements, including the Outcome Agreement process, and through governance, financial health and quality monitoring. Evidence from Education Scotland external reviews, annual engagement visits and other relevant quality work also provide SFC with a source of information for the evaluation.

SFC discussions/meetings with key stakeholders

As part of this process SFC seeks feedback and views on the success of the merger from a range of stakeholders including teaching and support staff, students, trade union representatives, the students' association and external stakeholders as appropriate through a series of discussion meetings. SFC will then meet with the College's senior management team and with its Board of Management.

SFC prepares the formal post-merger evaluation report

SFC prepares a formal post-merger evaluation report, taking account of all the evidence, feedback and discussions, which is agreed by the Council Board member leading the evaluation. This is then shared with the Scottish Government and copied to the college prior to being published on this website.

SFC evaluation report on the merger to form Edinburgh College

Background

1. On 1 October 2012, Edinburgh's Telford College, Jewel and Esk College and Stevenson College merged to form Edinburgh College.

2. The 6 month post-merger evaluation in May 2013 provided early feedback to SFC and Edinburgh College on progress with the merger, which showed progress in creating the new organisation, but also highlighted that significant development was still required and some major decisions were still to be taken.

3. SFC also examined some aspects of the merger in November 2013, at the request of the then Cabinet Secretary, and in response to concerns raised by EIS-FELA about College systems and processes having a detrimental impact on students and staff. The review found that there were issues to be addressed but that College management was responding appropriately. The College produced a plan to tackle the concerns and were supported by their Outcome Agreement Manager from SFC in implementing the plan.

4. The 2 year post-merger evaluation was deferred from November 2014 to January 2015 to allow the then Interim Principal, Dr Elaine McMahon, who took up her post in November 2014, some time to consider the college's position. The merger was judged right for the region, however implementation was viewed as not yet fully effective in terms of achievement of the key success criteria; leadership and governance; financial savings; communications and engagement; organisational development and systems development. The Interim Principal worked with the Executive and Board to produce a Development Plan focusing on areas for improvement, including curriculum; leadership structure; financial sustainability; organisational development; and integration of ICT, MIS, finance and HR systems. SFC proposed to conduct another review after 3 years to monitor progress with merger implementation and the Development Plan.

5. During 2014 Edinburgh College had an external review of its education provision undertaken by Education Scotland. The review judged the college to have effective arrangements to maintain and enhance the quality of its provision and outcomes for learners and other stakeholders. A number of areas of positive practice were identified including a wide range of successful and imaginative programmes for school pupils and the partnership arrangements between the college and the students' association.

6. The following areas for action were identified: ensuring the Learning Development Tutor role is consistently and effectively applied; that the student voice is fully included in reviews; and that programme teams and managers are engaged fully in quality processes to promote enhancement. Since then the

college has developed overarching guidance on the quality system for programme teams and worked to further enhance quality systems. Education Scotland continues to support this work.

Merger benefits

7. The merger proposal for Edinburgh College aimed to:

- Through its scale, be better placed to serve the economic and skills needs of the growing region.
- Provide first-class learning and teaching to students who will be taught in modern, first-class facilities, with greater opportunities for progression from entry level courses through to Higher Education and benefit from streamlined advice and support.
- Utilise its increased capacity to operate more effectively on a local, regional, national and international level.
- Retain a commitment to serving local communities and reach out to provide education and training opportunities to those who most need them.
- Create national curriculum hubs in key industry sectors that will provide opportunities for students to enhance their creativity, employability and entrepreneurial skills.
- Develop an enterprising curriculum that will make a significant contribution to the national economy and skills needs.
- Grow and diversify income by developing existing partnerships with business and industry – and build new partnerships.
- Build on highly successful and commercially significant international work, including attracting new students to the region and providing experience and expertise when working with overseas partners.
- Seek to tackle the economic and social challenges presented by the current and forecast economic climate and make a significant contribution to the regional economy.

8. It was clear from the discussions that SFC had with Edinburgh College staff, students and the Board of Management that progress has been made with regard to some of these benefits, however a number had not been realised to the level projected for Academic Year 2015-16.

Efficiencies and benefits of scale

9. One of the intended benefits of the college merger programme was to make sector-wide efficiencies that will allow colleges to benefit from greater scale and being (in most cases) the sole college education provider in their region. It was then expected that this would have positive impacts for learners resulting from the reduced duplication of provision and competition between

neighbouring colleges, as well as financial savings that could be directed towards learning. By making better use of their combined estates, facilities and staff we would expect that a merged college would be in a better position to focus on front-line delivery coupled with stronger and more effective regional engagement.

10. In its self-evaluation (provided to SFC in January 2016) the College sets out the progress in securing efficiencies and benefits of scale. It acknowledges that major income-related projects were included in the business case which to date had not materialised due to decisions not to progress (higher risk international projects) and a slower than anticipated development of commercial provision. The college is reviewing its commercial targets in light of benchmarking information from across the sector. The impact of the length of time to harmonise terms and conditions of teaching staff during 2013-14 resulted in a slower pace to staff changes and cost reductions. The pay deal agreed after merger significantly increased staff costs.

11. The college has used its scale to gain a stronger voice at a national level, with greater capacity to influence governmental policy and strategy. The college is represented, through the Principal or Chair, on a significant number of national groups and committees.

12. Since merger, the college has invested in clustering of curricula in order to maximise the return from specialist estate, staff and equipment. During 2015 the college invested in a programme of works incorporating curriculum moves between campuses, new student services and IT rooms and upgraded administration areas. The college is reviewing its engineering provision to improve the students’ learning experience and increase articulation routes into university. At this stage the curriculum review process remains incomplete. The work required to configure staffing and estate around the future curriculum of Edinburgh College is contained within the College’s Business Transformation Plan (BTP).

13. The college is pursuing an Estates Feasibility study to prioritise the release of resource and the distribution of provision for the college. The college acknowledges its footprint is too large and costly. Post-merger, a number of estate rationalisations have already been implemented including closure of rental properties and other premises including the Gyle.

14. Progress against a range of other benefits is outlined in the following sections.

Improved outcomes for students

15. Prior to Academic Year 2014-15 the college had sustained or improved its Performance Indicator figures – particularly successful completion. In Academic Year 2014-15 there was a significant drop in FE full-time retention in particular. Concerns around student recruitment and retention had been highlighted in Academic Year 2013-14 and staff led improvement projects were put in place to address this. The project groups recommended new recruitment processes, the impact of which will not be fully seen until Academic Year 2016-17; however we are more reassured that the college is targeting improvement in the right places as part of the Business Transformation Plan.

16. Last year the students we spoke to reported that processes and systems for enrolment and bursaries had improved. Our meetings with student groups in 2016 revealed some inconsistencies across the college regarding enrolment and college experience. Some curriculum areas were reported to operate effective processes while others were reported to have less effective systems. Some students and staff also highlighted inconsistent provision of resources for learners across campuses, with a perception that resources were more concentrated at the Granton campus.

17. In its post-merger self-evaluation, the college highlights the introduction of practices and processes which it considers are key to ensuring student attainment and engagement. Our discussions with staff and students reflected on the early impact of some of these changes although it is too early to judge their effectiveness.

18. The college acknowledged that the drop in successful completion for full-time FE learners in 2014-15 of 5.8% to 59.6% was significantly beneath the outcome agreement target of 68%. As identified through the Education Scotland external review and subsequent annual engagement visit in 2015, the college has prioritised the development of quality processes in 2015-16 and worked to ensure the engagement of course teams. The college is hopeful that actions from course reviews – notably changes to self-evaluation and interventions to convert partial success to successful completers should have an early impact on improving student retention.

19. The college has identified the slow pace of progress with the development of a co-ordinated regional curriculum providing progression and articulation pathways to employment or further study. In our discussions, both staff and students highlighted the importance of developing the curriculum, to include more access level courses and clarity around guaranteed articulation offers and progression.

20. The partnerships that exist between schools and the college were reported to have improved due to the review of Service Level Agreements with local

authorities conducted in Academic Year 2014-15. School staff and local authorities have been encouraged to feed into the review of college provision and improve the tracking systems for pupils while at college. The college has agreed to guarantee a place for every pupil from its region who applies to it in 2016-17.

21. Students are benefiting from standardised and improved articulation arrangements with universities. The linkages have benefited from the experience of the associate degree scheme, with 60 places per year. The planned curriculum review underway as part of the Business Transformation Plan aims to further strengthen these relationships. In Academic Year 2014-15, 763 students progressed to university.

22. The college's pioneering Academies provision, delivered in partnership with Queen Margaret University (South East Scotland Academies Partnership) continues to be responsive to the needs of employers, local authorities and schools. The model has been extended to incorporate STEM provision – Engineering with Edinburgh Napier University. The college plans to harness this expertise as it develops its Foundation Apprenticeship provision with partner local authorities and employers.

Improved delivery of skills at a regional level

23. The merger has resulted in a single college which aims to deliver coherently across Edinburgh and the Lothians working with the three local authorities, chambers of commerce and universities. There was good evidence from the college to confirm improved and more effective partnership working and collaboration as a result.

24. Since merger, the college has consolidated the employer engagement approaches of the three legacy colleges. Business Development staff acknowledged that the college has a good brand internationally and programmes could be tailored to demand. It was felt that more could be done to reconnect with the regional economy.

25. The college is endeavouring to use its increased scale to take a lead role in the region. The Principal and executive team represent the college on the key regional stakeholder groups and the college is playing an active role in a new internal Developing the Young Workforce Group which contains curriculum staff, Skills Development Scotland (SDS), apprenticeship contract managers and local authorities.

26. The college aims to establish Employer Councils in every curriculum area, to strengthen the employer contribution to curriculum design and development. Employers will be used to support the identification of skills gaps, advise on qualifications required to fill skills shortages and on how the college can better

prepare work ready students on completion of their courses. This is an area of improvement previously identified in the College Development Plan.

Financial sustainability and savings

27. Prior to the merger, Edinburgh College anticipated savings of £9.5m annually through a voluntary severance scheme, which SFC assisted with a grant of £7.5m. Edinburgh College released a total of 270 staff at a cost of £9.8m. Edinburgh College funded the balance of £2.3m above the SFC funding. Since 2011-12, SFC has provided Edinburgh College with £8.5m in total funding to support the merger and latterly the development of the college. We are disappointed that despite this level of resource many of the actions necessary to fully implement the merger are not complete. In particular the staff restructuring to support the correct curriculum for the region is not yet in place. It would appear that the voluntary severance was not sufficiently targeted or managed.

28. The college self-evaluation noted that the merger business case had been too ambitious. The executive felt that milestones had been too rapid and the management of the voluntary severance scheme resulted in the loss of organisational capability and expertise that did not support the merger process.

29. Edinburgh College has seen a marked deterioration in financial results since the college was created through merger in October 2012. Initially financial results improved, from a consolidated deficit for the year to July 2012 of £231k to a surplus of £674k in 2012-13. However, in their annual accounts for the 8 month period of financial year to 31 March 2014 the college reported a deficit of £986k and the annual accounts for the 16 month financial year of 2014-15 reported a deficit of £5.1m. Factors which impacted on the college's financial position in 2013-14 included the higher than budgeted pay increase for all staff (7% for teaching staff and 3% for support staff - implemented over the two year period 2013-14 and 2014-15 against business case assumptions of 1% on year salary increases); low student recruitment and retention; higher than anticipated costs of implementation of new systems; lower income from overseas students; and other costs including use of temporary staff to support merger implementation, staffing inefficiencies and an additional £187k to support Edinburgh College Students' Association.

30. The 2014-15 annual accounts show a deficit of £5.1m (for the 18 month period to 31 July 2015). After adjusting for exceptional and technical items there remains an underlying deficit of £3.5m. Income was £1.2m (7%) short of target, largely due to a failure to deliver activity targets. Expenditure however was 6.7% higher (after technical adjustments) than 2013-14 and 1% higher than targeted in the college's original forecast. Staff costs, adjusted for exceptional restructure costs were 12% higher than in 2013-14 on a pro-rate basis. Whilst

there was some success in reducing non-staff operational costs, this was not sufficient to outweigh this large rise. The result has been a deteriorating balance sheet and cash position.

31. Two years after merger, in order to turn around a worsening financial position, the college drew up a 'Development Action Plan' which included a recast budget for the year to 31 July 2015 and forecasted surpluses for the years to 31 July 2016, 2017 and 2018[1]. This assumed savings of £1.23m achieved as a result of a new voluntary severance scheme. The recast budget was also predicated on a zero pay award in 2015-16 and 1% in 2016-17. (While the outcome of the nationally agreed pay settlement with the college sector is higher than this, there has also been a modest increase in the unit of resource for colleges – including Edinburgh – in 2016-17.)

32. During the course of academic year 2015-16 the college informed SFC that they would be unable to deliver 12,000 credits of their activity targets. SFC reduced the target and redistributed activity elsewhere in the sector to ensure that sector-wide targets were met. This reduced the amount of income payable to the college for the academic year to 31 July 2016 by £2.62m. In addition, £800k was clawed back because of a failure correctly to apply SFC rules relating to 'additionality' in 2014-15. The college requested and were granted the return of £800k as a strategic support payment which will be conditional on the agreement of the Business Transformation Plan by SFC. The inability to meet their activity target places put cost pressures on the college, particularly the fact that they have too many staff for the number of students. As a result there are inefficiencies such as small class sizes within the college.

33. SFC has been in discussion with the college in order to assess the extent of its financial difficulties and understand the assistance it needs in order to support the Business Transformation Plan and move the college to a secure and sustainable position. The college established a Business Transformation Working Group to produce the plan to improve operation and delivery of core activity whilst moving to a sustainable financial position. The financial forecasts within the Plan anticipate the college eventually to return to a modest surplus in 2018-19 with additional transformation funding from SFC. Based on our initial analysis of the College's Business Transformation Plan, we support the broad direction of the Plan. The initial phase of the Plan involves support for a first round of voluntary severance (£650K) along with cash support through a £2.9m advance for Academic Year 2016-17.

34. In our discussions with the SMT and Board, the college highlighted that commercial income was an area they wanted to grow, with the expansion of the college's apprenticeship programme considered a priority.

[1] This does not take into account the change to N.I. contributions.

35. The SMT and Board made it clear that the current financial position of the college was unsustainable and that significant restructure through the Business Transformation Plan process and the Priority Based Budgeting exercise would be needed to deliver efficiencies and savings.

36. In the evaluation of other mergers we have considered the financial savings that the merger has bought about. While there have been reductions in costs at Edinburgh College – in particular in staffing costs – the continuing financial challenges faced by the college make it difficult to be clear on the extent to which these reductions in costs have been sustained and are contributing to efficiencies at the college. In its Business Case, the college forecast savings of £9,471K by academic year 2016-17, derived from staffing reductions in teaching, non-teaching and management. It is clear that this level of saving has not been realised, and the staffing structure remains not fit for purpose or for the curriculum they are planning for the future. To finalise the appropriate staffing structure the college will require further funding support as proposed within the Business Transformation Plan.

Effective leadership and governance

37. The governance structure of the new College was established early in the merger process. A Regional Partnership Board was formed in January 2012 to ensure effective planning and preparation for the merger. At the time the new Board of Management was created it comprised of 3 members from each of Edinburgh's Telford College, Stevenson College and Jewel and Esk College Boards. The Board was subsequently subject to a reappointment process. The composition of the current Board is nine (50%) men and nine (50%) women.

38. A Principal Designate was appointed relatively late in the merger process - in October 2012. We have seen elsewhere how earlier appointments have accelerated merger preparation and planning. The appointment of the new SMT was in place by December 2012 after the 1 October 2012 vesting day. The composition of the SMT has changed subsequently reducing from 7 originally to the current arrangement of 3. The new Principal assumed responsibility in May 2015. We have reported on changes in college leadership in the prior 2 year post merger review.

39. The Chair advised that the Board had developed strong induction processes alongside their policies and procedures. The Board advised that they played an active role in the development of the Good Governance Task Group providing examples of policies and procedures for national adoption.

40. In response to the Development Plan the Board agreed to reduce the number of committees and create four business committees mirroring executive functions: Audit and Risk Assurance; Academic Council; Policy and Resources

and External Engagement – these meet quarterly to align with full Board meetings.

41. The level of student and staff engagement in Committees was reported to have been sustained despite a reduction in the overall number of committees. The Board undertook reviews of governance arrangements including training and development activities and an enhanced performance evaluation process for individual Board members. In our discussions, the Board highlighted that, due to changes introduced by the new Principal, they are now more confident about the reports provided by management and feel they have recently been able to step back from operational interventions and focus on oversight and strategy.

42. We found the Chair and Board members supportive of the Principal. Board members highlighted the open nature of interactions with the SMT and college staff, and described how the committee system plays a key role in ensuring the SMT is engaged with the Board and that the Board is made fully aware of the underlying issues and assured that the college is on track. While recognising this, we had some concern from our discussion with Board members that the Board may not be fully aware of the magnitude of the issues faced by the college.

43. The Board felt that some changes to college core business processes and systems had been more successful than others. More work was needed on process integration, specifically with the curriculum which had not been sufficiently addressed until the introduction of the Interim Principal after 2 years. It was also noted that there had been, in the Board's view, capability and capacity issues within the leadership team.

44. Both the SMT and Board felt that the college faces significant challenges and financial pressures; however they felt that these were not related to merger activity and therefore should be considered and monitored accordingly. In part they identified the root of a number of the current problems, including failure to recruit sufficient students, as originating in the legacy colleges.

Communications and engagement

45. The SMT and Board have placed high importance on communication and engagement with staff, students and stakeholders throughout the merger process. Some staff felt there was now greater sharing of information by the executive. However they said they would welcome more opportunity for dialogue. The effectiveness of some communication has been complicated by ongoing difficulties with the teaching union. Some staff expressed fatigue at the ongoing poor relationship between the academic staff union and management.

46. Our discussions with staff suggested that the college had communicated new

developments through a variety of channels. Some staff were positive about the more recent approach involving roadshows and staff engagement. The new Principal was considered to have better visibility. Staff questioned the general accessibility of management across the campuses and indicated there were inefficiencies in decision making because of what they considered to be overworked middle managers.

47. Managing staff expectations and addressing negative attitudes of some legacy college staff was highlighted by the college as an ongoing challenge. The college is working towards their ethos of 'One college one team' with a new Edinburgh College Brand review completed and improved induction process introduced. We experienced some negativity from some staff at Milton Road during the 2 year post-merger evaluation. However, the sample of staff we spoke to during our 3 year evaluation was generally less positive than at the 2 year stage.

48. Staff advised that some cross campus collaboration is happening but that it has been limited. Teaching staff in Midlothian felt isolated from the bigger campuses. Staff found travel between campuses particularly burdensome and time consuming, and this has an impact on work-life balance for some. Nevertheless, there was broad acceptance that travel was an essential element of (some) jobs at a multi-campus institution, and that the college had done its best to mitigate the impact of this on staff. Management advised that a new mobility policy had been agreed with the unions.

49. Communications with external stakeholders have received renewed attention under the leadership of the new Principal. A renewal of linkages with partner local authorities and Community Planning Partnerships has been instigated. Engagement with key stakeholders has been critical during periods of industrial dispute and helped to dissipate any further negativity. Staff reported that stakeholder engagement had been simplified as a result of the merger, but at the same time conceded that some relationships between curriculum staff, for example, and local schools had been lost due to the centralisation of contact with schools.

50. The college is keen to improve communication with front-line staff particularly, to ensure all staff have the opportunity to contribute to the Business Transformation Plan and are kept engaged.

51. Employee relations throughout the merger were strained, and on the whole relations with Unison were more positive than with EIS. The college has recently agreed a partnership agreement with both unions.

Organisational development and culture change

52. Before merger, the three Edinburgh Colleges operated in competition and with varying levels of collaboration and alignment. Management approaches, the

student populations, culture and ethos also differed between the colleges. Staff were paid different levels and had different terms and conditions, particularly teaching hours. These cultural differences required sensitive handling by the college.

53. The SMT indicated that the process of restructuring and harmonising terms and conditions was more protracted, costly and difficult than the college anticipated. The pay deal agreed after merger significantly increased staff costs. Harmonisation of teaching staff contracts was completed in April 2013 and job evaluation for non-teaching staff was projected to complete in April 2016.

54. The college outlined its organisational development achievements, including the job evaluation process for 500 staff, harmonisation and equal pay for all staff, and agreement of a Recognition and Procedures Agreement with the EIS. As part of wider organisational development, the college intends to increase resource to Curriculum Managers (CMs), acknowledging that the immediate structure post-merger was too flat. The college recognises that some staffing resource is under-utilised with small class sizes and elsewhere other teaching areas are comparatively over staffed. To address the shortage of middle management a proposal is being developed to invest in functional roles under CMs.

55. The SMT and Board placed high importance on establishing the culture and values of the new college. The Edinburgh College Values were launched for consultation in January 2016 and will continue through 2016-17 to create behaviour statements about good practice informed by staff which will eventually be linked to the College's Development Review Process 'Enhance'.

56. Staff acknowledged that developing organisational culture still posed a challenge. Management were not keen to undertake a follow up staff survey at present during a period of industrial dispute.

57. Most staff we met considered the merger to be behind them and they, along with students, identified as part of Edinburgh College.

58. Cross-campus collaboration, interaction and communication could be exploited to greater effect according to staff. Staff noted some benefits of sharing best practice and resources by working across campuses but identified there was more development, co-ordination and direction required in this area.

59. Support staff commented on operational differences between the legacy colleges. Learning Development Tutor staff commented that the creation of Campus Managers for their service had improved capacity.

Systems development integration

60. The college has acknowledged that there remain challenges in fully integrating

all curriculum areas into the single college's operation and learner systems. In particular, across curriculum areas, there are inconsistencies in the application of IT and promotion within courses. The college's new Blended Learning Strategy will target improvements in these areas.

61. In Academic Year 2013-14 there were a significant volume of student complaints around enrolment and funding situations. We heard that this had improved for 2014-15, but for 2015-16 we heard of inconsistencies in student experience of processes across campuses and curriculum areas, some of which would be expected in a college of this scale including timetabling and room allocation. However other issues, including bursary processing, enrolments and curriculum content, we would expect to see improved within the Business Transformation Plan.

62. During this 3 year evaluation students reported that post-merger IT issues had largely been resolved, but some staff and students raised concerns regarding software issues and access to resources for specialist courses such as Creative Industries, though this was not directly linked to merger.

63. In terms of College MIS, due to some system weaknesses and data quality issues there have been difficulties reporting and determining levels of student activity in year. This has complicated monitoring arrangements within the college and contributed to the difficulty meeting student activity targets thus resulting in cost pressures. The College has recently taken steps to improve MIS systems and make better use of data to inform curriculum planning and recruitment, but it is too early to judge the impact of these actions.

Student engagement

64. The college has well-established processes for gathering learner feedback including surveys, class representative processes, focus groups and student-led quality reviews.

65. Edinburgh College Students' Association (ECSA) currently has 5 sabbatical officers supported by 5 executive staff. ECSA is represented on the College Board of Management and on the Board's Standing Committees.

66. In our discussions with students, we heard that they were generally aware of their students' association, although this varied between campuses and engagement has been limited to date. Students reported that ECSA had a limited profile on the Midlothian campus. The students' association identified that raising its profile amongst students and staff remains a key priority.

67. ECSA has constituted a Trustee Board and is therefore independent from the College. ECSA view this as a key strength, allowing it greater independence to challenge management and staff on behalf of students.

68. The students’ association has developed an active class representative structure, is valued by college management, contributes to the development of the Outcome Agreement and in Academic Year 2014-15 developed an innovative partnership agreement with the college.

69. The college is currently working with the students’ association on the arrangements for Academic Year 2016-17 to ensure that there is a structure and support that best meets the needs of the students going forward and takes account of the financial pressures facing the College.

Conclusion

70. SFC considers that while this merger has made progress in many areas significant aspects of the college operation face challenges and remain under question including:

- Financial sustainability.
- Regional curriculum development.
- Student recruitment and retention.

71. We are reassured that the new Principal is taking steps to address these challenges and the Business Transformation Plan provides the basis to address these issues. We believe therefore that attention should switch from the merger review process to a programme of ongoing additional scrutiny of progress with the Business Transformation Plan alongside the normal Outcome Agreement process.