



Scottish Funding Council  
Comhairle Maoineachaidh na h-Alba

## Review of Regional Strategic Bodies – Overview Report

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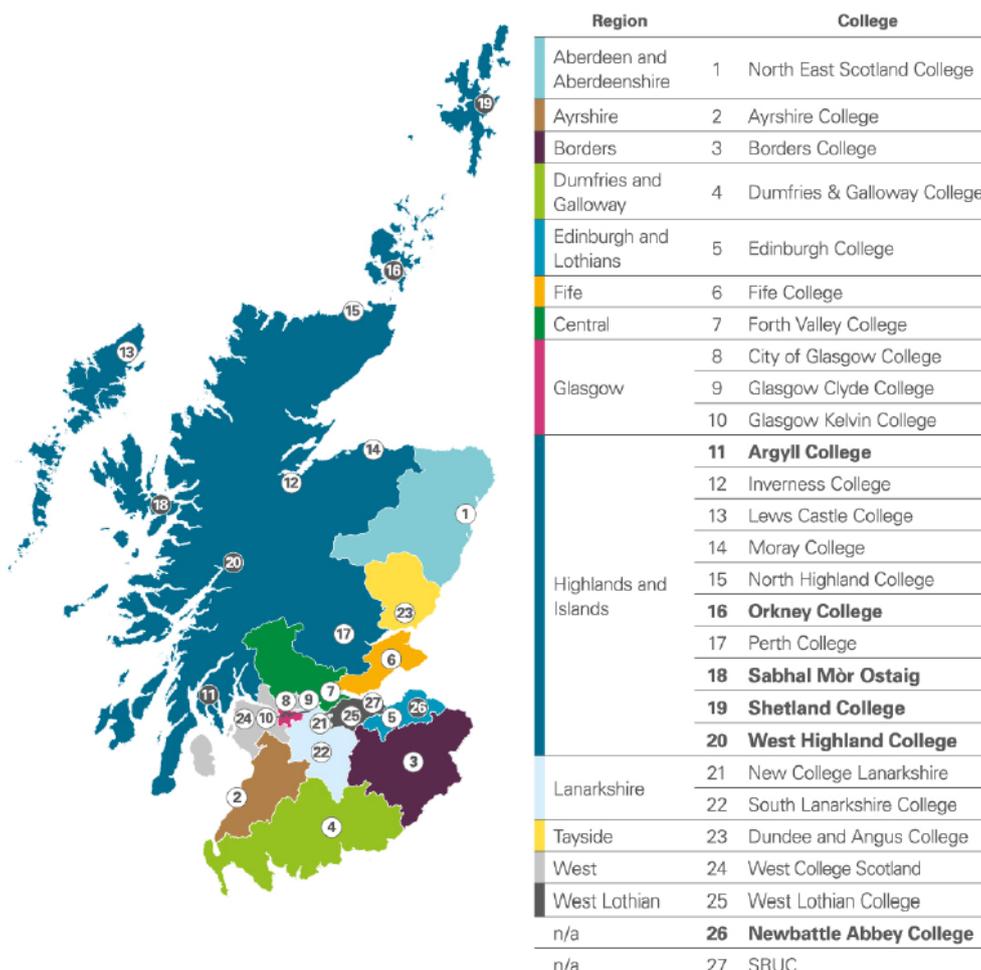
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# Review of Regional Strategic Bodies – Overview report

## Background

1. The process of college mergers that started in 2011 placed an enhanced regional approach at the heart of planning, funding and delivery. In essence, the programme of mergers aimed to support learners and employers with a more coherent and sustainable curriculum offer and engagement; provide funding based on regional needs; and bring a sharper focus to regional outcomes and accountability.
2. The original merger policy envisaged every region, other than the Highlands and Islands, having a single college. Given the voluntary nature of the merger process, the legislation in 2013 allowed for single regional colleges and regional strategic bodies (RSBs) to cover the remaining multi-college regions. There are currently ten single college regions and three multi-college regions, each overseen by a RSB. Audit Scotland recommended we review current arrangements.



Note: The map shows the 20 incorporated colleges, the six non-incorporated colleges in Scotland (in bold) and Scotland's Rural College (SRUC) which is classed as a higher education institution but counts towards the achievement of the national target for colleges.

Source: Audit Scotland

3. We have reviewed the role of the RSBs in the three multi-college regions. Each grouping has a different history and development, and each has achieved the objectives of regionalisation, collaboration and integration to different degrees. We conclude that the status quo is not tenable for reasons that are particular to each RSB, but often involve tensions in governance and accountability structures, contested costs and funding authority, and unclear outcome gains for students and tax-payers.

### **The Lanarkshire Board**

4. The RSB is meeting its core statutory requirements, but, despite best endeavours, the regional governance arrangements have not delivered significant regional benefits or added value for students and other stakeholders. The original legislation means that the Lanarkshire Board is the Board of New College Lanarkshire (formed from the merger of three colleges), with South Lanarkshire College assigned to New College Lanarkshire. Good efforts, such as the recent development of Memorandum of Understanding and an exploration of other options to improve the governance arrangements, are unlikely to improve regional effectiveness when there remains an unwillingness from either partner.
5. While the lean RSB support arrangements have kept RSB costs to a minimum (£62,000 in 2019-20), they have added significant responsibilities to key people within the NCL Board and executive. Agreeing funding allocations each year is challenging and time-consuming. There has been some reallocation of resources between the two colleges to meet regional need, but funding decisions remain contested and associated operational policies are under-developed.
6. There has been some good collaboration: on apprenticeships and developing the young workforce programmes; student recruitment protocols have been developed and the student association representatives of each college share good practice and keep in touch; and there has been joint procurement for some services. However, there is widespread recognition that the geography works against further integration across Lanarkshire. If looking at options elsewhere, most students naturally look towards Glasgow rather than to the other college in Lanarkshire, reinforced by local transport routes and infrastructure. Indeed, while each college in Lanarkshire has strong relationships with schools, employers and local authorities, local external stakeholders do not recognise an overarching RSB entity and continue to engage with each college separately. Again this is despite best efforts.
7. Our view is that the status quo is sub-optimal. The current governance arrangements are not well understood or accepted, and lead to constant friction. They distract both colleges from their main missions for students and

economic recovery. New College Lanarkshire is a significant regional presence, with an ambitious vision of transformation and improvement. South Lanarkshire College is small, financially stable, and serves a different local area, with different ambitions for its local communities. Some may view the Lanarkshire situation as an unfinished merger that simply needs to complete. At some point, South Lanarkshire College, or both colleges together, may want to consider options for the future. For now, there is no widespread appetite locally for merger. Despite the best endeavours of the Lanarkshire Board, efforts to make the governance and the RSB function effectively are time-consuming for the Board and its executive and are unlikely to change outcomes for students or local communities.

8. We recommend that the RSB should be dissolved and both colleges manage themselves as separate regional entities, forming a direct relationship with SFC. For clarity, we also encourage both colleges to continue to be part of appropriate education, skills and economic recovery regional planning, and to build useful collaborations together or with other partners, and to foster strong economic planning partnerships at a Lanarkshire and wider Glasgow level.

#### **Glasgow Colleges' Regional Board (GCRB)**

9. GCRB is meeting its core statutory requirements and has made good progress in delivering additional benefits expected through regionalisation. After a challenging start, nearly three years to achieve fundable body status, and changes in its leadership, it is adding value to the delivery of college provision in the Glasgow College Region and beyond. This success is due in no small part to the current Chair's leadership of the GCRB Board and collegiate approach, which draws on the contribution and experience of senior staff across all three assigned colleges (City of Glasgow College, Glasgow Kelvin and Glasgow Clyde), underpinned by the expertise that resides within the small executive of GCRB.
10. Working closely with its three assigned colleges it has developed a strategic and responsive 'one-door' approach to its many stakeholders. The Curriculum and Estates Plan was a significant early achievement that led to course changes, the closure of a campus and a redistribution of credits between the three assigned colleges. There has been good work on skills alignment and progress in addressing students' attainment and progression aspirations.
11. That said, there are still mixed views within the assigned bodies themselves about the additional value being added by the RSB and the cumbersome nature of the four-Board arrangement (i.e. the boards of the assigned colleges – Kelvin, Clyde and City of Glasgow – alongside the regional board). All agree on the need for collaboration, but disagree about the cost and region-level processes of GCRB, although at £445,000 in 2019-20 GCRB's costs are less than originally envisaged in 2014. Agreeing the funding allocations across the three colleges

remains challenging for GCRB, despite an efficient approach. Operating within tight timescales following SFC funding allocation decisions and negotiating agreement on key issues between four Boards and senior managers has been time-consuming and difficult at times.

12. We propose that now is an appropriate stage in its development for GCRB to begin conversations about further reformation of the structures in Glasgow that will facilitate the continued effective and efficient delivery of education and skills for the region. We recommend GCRB and the colleges explore other organisational options that build on and secure pan-regional planning, further efficiency gains, the financial viability of the constituent colleges, and a Glasgow front door for students, employers and other stakeholders. This should include options that may lead to reformation of the regional structure and further consolidation that will fulfil regional and policy objectives.

### **The University of the Highlands and Islands**

13. The Court of the University of Highlands and Islands (UHI) existed before regionalisation, but was established as the RSB in August 2014, securing operational fundable body status in April 2015. To carry out its regional body role, UHI established a committee of its Court, called the Further Education Regional Board (FERB). The RSB function within the university requires a number of dedicated staff and the direct costs of operating as a RSB in 2019-20 were £247,000.
14. Nine colleges are assigned colleges of UHI (five incorporated colleges: Inverness, Lews Castle, Moray, North Highland and Perth; four non-incorporated colleges: Argyll, Orkney, Shetland and West Highland). Assigned colleges are also academic partners of UHI for delivering higher education.
15. The regional governance arrangements have been able to deliver regional benefits and added value for students and other stakeholders, including employers. UHI has invested significant time and effort in building relationships with assigned colleges and establishing a more collaborative culture. Working in partnership, colleges have increased senior vocational pathways and improved completion rates for full time further education students. There has been good progress on apprenticeships and a strong focus on student engagement.
16. That said, the RSB is yet to realise its full potential and deliver the significant wider aims of regionalisation, including curriculum planning, driving further regional coherence, strategic alignment and enhanced offers for students and stakeholders.
17. UHI's original mission as the first integrated tertiary education body in Scotland was ambitious and compelling. It has achieved a huge amount in ten years, and

provides excellent blended, online learning and opportunities for people to access further and higher education in rural, remote and fragile areas. But its governance is complex and with the involvement of many governors and principals, its decision-making processes can seem territorial and, at times, disconnected from a focus on optimal outcomes for students and the efficient use of public funds.

18. There are legitimate costs associated with rural and remote education and training (recognised in the premium funds we deploy across rural, remote and island areas). However, the current structures and ways of organising the delivery of education across UHI are expensive and unwieldy at a time when public funds will become increasingly pressured, funding models will change and outcomes for learners and the Scottish economy will be paramount. When changes have been proposed in the past, either through mergers of academic partners or more vertically integrated models, they have not commanded support from all stakeholders. There has been strong representation from the student body that aligns with our assessment of the current arrangements.
19. At the time of writing colleges are exploring with UHI options for possible mergers of partner colleges. We recommend UHI considers consolidation, shared services, recalibrated roles and responsibilities, and options to ensure it survives and thrives, and gets closer to the original mission of a more fully integrated tertiary institution. In all options it will be vitally important to preserve local presence and reach, as well as good further education, while streamlining governance and decision-making, securing greater curriculum coherence, and seeking more efficient modes of delivering provision that streamline management costs and support front-facing services, courses and opportunities for students and local communities.

### **Conclusion and next steps**

20. Dissolving any Regional Strategic Body would require primary legislation. However, because their assigned colleges are still 'fundable bodies' (as defined by the Further & Higher Education (Scotland) Act 2005), they can still be funded direct by SFC. So, if our recommendations are agreed, it is likely we could revise the funding and accountable arrangements in practice, even if the regional strategic body structure requires to be dealt with at a later date.
21. It is important to emphasise that the above conclusions do not change the requirements for RSBs to actively work with partner institutions locally and nationally to ensure the coherent provision of a high quality of fundable further education and fundable higher education in their localities.
22. As part of our Phase 2 work, we will work with the Scottish Government, New College Lanarkshire and South Lanarkshire College on the practical steps

required to take forward our recommendations for the Lanarkshire college region. We will also work with the Glasgow Colleges' Regional Board and the University of the Highlands & Islands on our recommendations for these two regions.