

87. This has implications for the operation of every college and the sector as a whole. The AGS report states that:

” Introducing regional bodies has resulted in a complex framework of accountability where regional college boards are directly accountable to the SFC but the boards of colleges in multi-college regions are accountable to their regional body, a separate board.⁸²

88. In oral evidence to the Committee, the Scottish Government stated its belief that these arrangements “provide greater accountability and an easier route to engagement” due to the single point of contact. The Scottish Government also reiterated that the Regional Boards are still in “a moment of transition”.⁸³

89. However, the Committee heard during oral evidence from one college principal that “our flexibility and autonomy have been restricted by the colleges coming together”.⁸⁴

90. This point echoes the findings of the AGS, who noted that:

” Individual colleges have expressed concerns that regional bodies will affect their autonomy.⁸⁵

91. Another element of the operation of Regional Boards explored by the Committee was their funding. The Scottish Government stated that it expected Boards to cost less than 0.5% of colleges’ budgets, and that their actions would “add value”.⁸⁶

92. The Principal of City of Glasgow College noted in evidence that:

” the funding council stepped in and funded the regional board directly...the funding council continues to provide some of the funding [for the board], recognising that it was always the intention, through the guidance, that the college sector would pay for the regional board.⁸⁷

93. The Committee notes the concern expressed by some witnesses that the regionalisation process has restricted the flexibility and autonomy of individual colleges, and endorses the AGS view that “both regional bodies and individual assigned college boards will need effective leadership, communication and close working to establish good working arrangements”.⁸⁸

94. The Committee therefore seeks further information from the SFC as to how it is supporting Regional Boards and individual colleges, particularly in multi-college regions, to forge positive working relationships and clear lines of communication and accountability.

95. The Committee is keen to ensure that Regional Boards play a constructive role within the colleges sector and do not become an unnecessary, costly or even negative part of the colleges sector.
96. The Committee therefore seeks clarification from the SFC and the Scottish Government on how the costs of operating a Regional Board will be regulated, paid for and monitored to ensure value for money.
97. Given the issues expressed above, the Committee also welcomes that the AGS "will audit the regional arrangements as part of the audit of FE in the future"⁸⁹ and requests further information from the AGS on the anticipated timescale for this work.

¹ Section 23 reports are overview reports on how different sectors perform during each financial year.

² Audit Scotland (2015) *Scotland's colleges 2015*. Available at: http://www.audit-scotland.gov.uk/docs/central/2015/nr_150402_scotlands_colleges.pdf

³ [Scotland's colleges 2015, Summary](#)

⁴ [Scotland's colleges 2015, paragraph 5](#)

⁵ [Scotland's colleges 2015, paragraph 58](#)

⁶ [Scotland's colleges 2015, paragraph 9](#)

⁷ [Scottish Parliament Public Audit Committee, Official Report, 24 June 2015. Col 8.](#)

⁸ [Scotland's colleges 2015, paragraph 21](#)

⁹ [Scotland's colleges 2015, Summary](#)

¹⁰ [Scotland's colleges 2015, paragraph 54](#)

¹¹ [Scottish Parliament Public Audit Committee, Official Report, 10 June 2015. Col 9](#)

¹² [Ibid](#)

¹³ [Scottish Parliament Public Audit Committee, Official Report, 10 June 2015. Col 5](#)

¹⁴ [Scotland's colleges 2015, paragraph 87](#)

¹⁵ [Scotland's colleges 2015, Summary](#)

¹⁶ Audit Scotland (2014), *The 2012/13 audit of North Glasgow College: Governance and financial stewardship*. Available at: http://www.audit-scotland.gov.uk/docs/central/2014/s22_140507_north_glasgow_college.pdf

¹⁷ Audit Scotland (2015), *The 2013/14 audit of Coatbridge College: Governance of severance arrangements*. Available at: http://www.audit-scotland.gov.uk/docs/central/2015/s22_150626_coatridge_college.pdf [sic]

¹⁸ [Scotland's colleges 2015, Summary](#)

¹⁹ Section 22 reports highlight issues within the audit of accounts of individual public bodies.

²⁰ [Scotland's colleges 2015, Summary](#)

²¹ Scottish Parliament Public Audit Committee, 14 March 2014. *2nd report 2014: Scotland's Colleges 2013*. Available at: http://www.scottish.parliament.uk/S4_PublicAuditCommittee/Reports/paur-14-02w.pdf

²² Audit Scotland (2013), *Scotland's colleges 2013*. Available at: http://www.audit-scotland.gov.uk/docs/central/2013/nr_130829_scotlands_colleges.pdf

²³ *2nd report 2014: Scotland's Colleges 2013*, paragraph 25

²⁴ Audit Scotland (2012), *Scotland's colleges: current finances, future challenges*. Available at: http://www.audit-scotland.gov.uk/docs/central/2012/nr_121018_college_overview.pdf

²⁵ Audit Scotland (2012), *Learning the lessons of public body mergers: Review of recent mergers*.

Available at: http://www.audit-scotland.gov.uk/docs/central/2012/nr_120614_public_body_mergers.pdf

²⁶ *2nd report 2014: Scotland's Colleges 2013*, paragraph 11.

²⁷ [Learning the lessons of public body mergers, Exhibit 2](#)

²⁸ [Learning the lessons of public body mergers, Recommendations \(Part 3\)](#)

²⁹ [Scottish Government written submission, 10 June 2015](#)

³⁰ [Learning the lessons of public body mergers, paragraph 47](#)