



1 December 2016

Terry Shevlin
Clerk to the Public Audit and Post-legislative Scrutiny Committee
Room T 3.60
The Scottish Parliament
Edinburgh
EH99 1SP

Dear Mr Shevlin

Thank you for your letter of 1 November in which you set out some questions from the Committee about the Glasgow Colleges' Regional Board (GCRB), specifically:

- an explanation of why fully operational fundable body status was not awarded to the GCRB on 1 August as noted in the 2014/15 audit of Glasgow Colleges' Regional Board;
- confirmation from the SFC of when it is anticipated this status will be awarded; and
- an assurance that the Committee will be informed in writing by the SFC when this status is awarded.

I should first confirm that, since August 2014, SFC has been committed to supporting GCRB to ensure it has the capacity to meet its statutory duties and responsibilities for Glasgow Region, as set out in the Post-16 Education (Scotland) Act 2013; this includes the obligations associated with fundable body status. The early stages of this work - particularly the development phase from April 2014 to April 2015 - were challenging, with additional time needed for governance and management arrangements to be fully implemented and operate effectively. Following the interim arrangements in place during 2015-16, a new Regional Chair was appointed in January 2016 and an Executive Director in May 2016. This has provided stability to make good progress, and the current position is as follows:

1. In August 2016, following SFC's observation of the operation of the Board and an assessment of the management arrangements, we concluded GCRB had made significant and effective progress in operating effectively as a Regional

Strategic Body, and in fulfilling its role in securing coherent provision, of a high quality, of fundable further and higher education in Glasgow's colleges. The outstanding matter was a fully functioning financial monitoring framework that would enable GCRB to ensure the level of governance necessary effectively to monitor assigned college and regional financial management. This is clearly critical to GCRB's role as the fundable body in Glasgow Region. I met the GCRB Chair in August to discuss these outstanding requirements, which she agreed to progress, with continued support from SFC. My Interim Director of Access, Skills, and Outcome Agreements subsequently attended the GCRB's meeting on 31 October to provide further explanation of the scope of the financial functions required, and was given reassurance on the Board's progress with the transition planning actions required. In addition, SFC wanted to observe the way that the GCRB carried out its responsibilities in shadow form.

2. Following a review of GCRB's progress in implementing the financial framework, SFC expects to make a recommendation to its Council Board later this month. If our Board is content that the framework and associated financial functions will be in place by March 2017, then, in line with the financial year, fully operational fundable body status will be agreed for April 2017.
3. I shall write again to confirm when this status is awarded.

Yours sincerely

Dr John Kemp
Interim Chief Executive