

Colleges Scotland Trustees Meeting

Thursday 26 March 2026 (1000-1200), Argyll Court, Stirling, FK9 4TY

Agenda

<i>Time</i>	<i>Item</i>	<i>Lead</i>	<i>Paper</i>
1000	1. Welcome and Apologies	SE	Verbal
General Business			
1000	2. Declaration of Interests	SE	Verbal
1002	3. Minute of Previous Meeting and Matters Arising • Thursday 22 January 2026	SE	Paper 3.1
1005	4. CEO Update	GD	Verbal
1015	5. Trustee Register of Interests	CD	Paper 5.1
For Discussion/Approval			
1020	6. Financial Information: • CS Management Accounts to 31 January 2026 • CES Management Accounts to 31 January 2026 • Proposed Subscription Model for 2026/27	AW CC GD/AW	Paper 6.1 Paper 6.2 Paper 6.3
1050	7. Colleges Scotland (CS) • Risk Register Review • Business Continuity Plan and ICT Disaster Recovery Plan • Proposed Amendments to the Articles of Association	GD/AW/CC AW GD	Paper 7.1 Paper 7.2 Paper 7.3
1120	8. College Employers Scotland (CES) • Assurance Reports: - National Bargaining - Job Evaluation • CES Funding Update	CC CC	Verbal Paper 8.1
For Information			
1135	9. HR and Health and Safety Update	GD	Paper 9.1
1145	10. Recruitment of an Independent Chair	CD	Verbal
1150	11. Any Other Competent Business	SE	Verbal
1158	12. Date of Next Meeting • Thursday 25 June 2026 (1000-1200) at Argyll Court, Stirling, FK9 4TY	SE	Verbal
1200	Lunch followed by Colleges Scotland Annual General Meeting at 1230		

Minute of Previous Meeting and Matters Arising

Paper 3.1

FOISA Status	Non-Disclosable
Lead	Secretary to the Board

Summary:

This paper presents the draft minute and action log from the Colleges Scotland Trustees meeting on Thursday 22 January 2026.

Recommendations:

The Board of Trustees is asked to:

- discuss any relevant matters arising
- approve the minutes as a true record.

Colleges Scotland
March 2026

DRAFT Minute of Colleges Scotland Trustees

Thursday 22 January 2026, Argyll Court, Stirling

Present

Susan Elston (SE), (Chair)	Dave Anderson (DA)
Angela Cox (AC)	Gavin Donoghue (GD)
Waiyin Hatton (WH)	Linda Johnston (LJ)
Yekemi Otaru (YO)	Pete Smith (PS)

In Attendance

Callum Chomczuk (CC)	Charles Dundas (CD - Minutes)
Karen Tracey (KT)	Andy Witty (AW)

Apologies

None

1. Welcome and Apologies

- 1.1. SE welcomed members to the meeting. Apologies were noted as above.

2. Declaration of Interests

- 2.1. DA sits on the Development Committee of the City of Glasgow College.

3. Minute of Previous Meeting and Matters Arising

- 3.1. The Board agreed the draft minute of the meeting on 30 October 2025 as an accurate record.

4. CEO Update Report

- 4.1. In a verbal update GD highlighted a £70m (~10%) uplift for the College sector in the Scottish Government's budget for 2025/26 which compares favourably to other areas of spending.
- 4.2. Colleges Scotland engaged with key stakeholders in advance of the budget with a variety of forecast scenarios, setting ambitious goals which resulted in an overall funding package that should go some way towards stabilising the sector. This was the most successful outcome that could have been achieved under the circumstances, and the next step is clarifying with the Scottish Funding Council the details of that funding.
- 4.3. The next priority is influencing the party manifestos in the coming months before the Scottish election. A hustings event is planned on 23rd February with all major political parties represented.
- 4.4. GD is also liaising with the UK Government, Scotland Office and Ministry of Defence on Defence Growth Deals which could mean multi-million pound funding opportunities after March 2026.

- 4.5. New staff have been recruited to fill vacancies, and both started in January 2026 – CC as Director of CES; and CD as Corporate Governance Manager and Secretary to the Board of Trustees.
- 4.6. GD also noted that since the last Board meeting, the new Audit Committee - chaired by PS - had its first meeting in December 2025.
- 4.7. GD expressed his appreciation of all Colleges Scotland's staff for the work done to reach this point. WH asked for the whole Board of Trustees' appreciation of the staff to be minuted.
- 4.8. Both DA and PS sounded a cautious note that £70m was only about half of what the sector actually needs, but had found Colleges Scotland's communications throughout the budget process very helpful, and had supported a consistency of messaging amongst Colleges through the budget.

5. External Audit

Draft Financial Statements for the Year Ended 31st July 2025

- 5.1. PS, as chair of the Audit Committee, presented the Draft Financial Statements which the Audit Committee had already discussed and approved in December 2025. CT Audit Ltd had been very complimentary about CS' finances and had issued a clean audit report.
- 5.2. DA asked about the £80k deficit in the SoFA's Restricted Funds. GD explained that this is an annual issue arising from the way in which payments from the SFC to CES are accounted for as CES cannot carry over funding underspends from one financial year to another.
- 5.3. DA asked about the £223k of Facility Time Costs set out in section 6a (Analysis of other costs) which he considered very high. GD explained that these costs have been brought down in this financial year and will now only be paid towards trade union duties and not trade union activities.
- 5.4. YO asked about the Dilapidations Provision highlighted in the audit. AW explained that Colleges Scotland have historically based a dilapidations provision on an estimate of £75k made with the landlord in January 2023. More recently the landlord has reported that the estimated cost for the building should be £100k. Colleges Scotland intend to engage an external surveyor to ensure that the provision represents a more accurate estimate of the costs required to return the premises to its original state. In YO's own experience, the organisation only has to pay for dilapidations work which the landlord carries out. GD observed that the current lease on Argyll Court expires in January 2028 and notice would need to be given in January 2027 if Colleges Scotland were planning to quit the lease.
- 5.5. WH stated that a clean audit like this is a great achievement. AW added that there had been a lot of internal preparation work before the audit field work, which smoothed the process considerably, and he put on record his thanks to the staff team.
- 5.6. In accordance with Colleges Scotland's Articles of Association, the auditor CT Audit will be reappointed at the forthcoming Annual General Meeting in March 2026.
- 5.7. **The Director's report was approved by the Board of Trustees and the Letter of Representation signed by SE accordingly.**

Reconciliation of Management Accounts to Statutory Accounts – Year Ended 31st July 2025

- 5.8. The Board of Trustees noted the reconciliation which had previously been approved by the Audit Committee in December 2025.**

CT Audit Summary and Findings Report

- 5.9. The Board of Trustees approved the report and noted the charity technical update. The Letter of Representation was signed by SE, on behalf of the Board.**

Annual Governance Statement for 2024/25

- 5.10. The Board of Trustees noted the statement.**

6. Financial Information

CS Management Accounts to 30th November 2025 and F1 Forecast

- 6.1.** GD spoke to the accounts and explained that the Colleges Scotland team has been managing down costs as much as possible.
- 6.2.** AW explained the income reduction in the reforecast and explained it was largely due to a reduction in the estimated income from room hire at Argyll Court, but that it was now a more realistic figure and that reduction in income was balanced against savings in expenditure, such as unfilled staff vacancies and cancelling a pre-election event. GD added that the use of Argyll Court for income generation is something which Trustees would need to consider when considering renewing the lease.
- 6.3.** AC pointed out that the savings were all one-off in-year efficiencies, and that a more sustainable plan was needed. DA added that in due course he would like to see a business case made for remaining in Argyll Court as an office. WH added that a new financial model based on business development which did not rely on just members subscriptions was needed.
- 6.4.** YO asked if the £84k in Office facilities costs included business rates. AW replied that they did as Stirling Council has recently removed the 20% business rate exemption for charities.

CES Management Accounts to 30th November 2025 and F1 Forecast

- 6.5.** GD provided an update which showed that income is in line with the forecast and expenditure less than forecast. The F1 forecast variance was due to carrying staff vacancies.
- 6.6.** CC commented that the Scottish Funding Council are only committed to their current funding model for one year, as they would like to move to a subscription model. AC suggested that CES needed to model what a minimum ask would be for a national bargaining construct since it will be a hard ask to make to individual institutions.

Annual Pension Report

- 6.7.** GD introduced the paper and explained that Colleges Scotland currently operate two pension schemes (LGPS and Aegon). For LGPS the primary rate will remain at the same level until March 2027. The secondary rate (to allow for deficit recovery) should rise slightly year on year.
- 6.8.** PS asked if new members of staff were still being admitted to the LGPS. GD explained that closing the scheme to new members would affect the conditions of the scheme, so it had

been decided to reduce the number of staff in the scheme by limiting the staff grades with access to it. PS recommended that the cost of new entrants to LGPS be kept under review as LGPS is a considerably more expensive scheme than Aegon.

6.9. The Board of Trustees noted the paper.

Financial Regulations and Procedures Manual

- 6.10. Under section 1.3 (Monitoring Financial Performance) WH questioned the use of backslashes in the table, such as “CEO/Director of CES”, and whether it meant “either” or “and”. AW replied that it seemed to be used to denote both senses in the table, and that **the table at 1.3 would be redrafted for clarity.**
- 6.11. Under section 3.1 (Authority to Incur Expenditure) WH requested that the Chair’s authority to authorise expenditure £50k should clearly require the approval of the Board of Trustees in advance. AW confirmed that **this wording could be redrafted to make clear that the CEO has delegated authority up to costs of £50k but that beyond that approval from the Board is required.**
- 6.12. AW confirmed that any spending over £10k requires multiple tenders, as per external suppliers and contractors covered in section 3.7. **Sections 3.2 and 3.3 will be redrafted to reflect a graduated approach up to £10k; £10k-£25k; and £25k and above. The typo which reads “substance” in 3.3 should read “subsistence”.**
- 6.13. WH asked that the bold note in **section 3.3 (Credit Cards) should be redrafted to make it clear that all use of Credit Cards must comply with existing Colleges Scotland policies and procedures, and cannot be used for personal training or professional fees.**
- 6.14. **Subject to these small amendments the Board of Trustees approved the updated Financial Regulations and Procedures Manual.**

Treasury Management Policy

- 6.15. AW reported that it may be possible to secure an even higher level of income from interest through the use of a high interest 32 day notice account. This will be explored in the coming year.
- 6.16. WH highlighted a reference in section 3 to the Finance and General Purposes Committee which no longer exists. **This reference should be replaced with the Board of Trustees.**
- 6.17. **Subject to this amendment the Board of Trustees agreed the updated Treasury Management Policy. It was noted that Colleges Scotland should manage for the best outcome for the least amount of staff effort.**

7. Colleges Scotland

Risk and Regulatory Update

- 7.1. GD reported positive discussions with two of the Colleges who had previously served notice on their subscription renewals, who now expect to formally withdraw their intention to leave Colleges Scotland. However, one significant member organisation is going through their own internal transformation which may impact its Colleges Scotland membership, as a result.
- 7.2. It was suggested that the terms and conditions of membership should be reviewed following the success of the budget and the launch of the manifesto. Colleges Scotland should highlight the potential vulnerabilities for those colleges who are not members. GD

stressed that the Scottish Government was keen to be able to discuss sector issues with a single representative voice.

- 7.3. **GD advised that the previous Colleges Scotland Board had agreed to look at a new funding model for subscriptions for 2026/27 and he will look to prepare a paper on that for the March Trustee meeting prior to formal decision in June.**
- 7.4. WH said that the risks were all well-articulated, but the mitigation actions were not always clear.
- 7.5. **Under Risk 006 specific reference should be made to Colleges Scotland's Business Continuity Plan.**
- 7.6. **WH had a list of amendments which she had emailed in advance (outlined in the Actions Monitoring Log below). AW agreed to ensure that they were all considered**
- 7.7. **YO pointed out that for Risk 009 (Financial Stability) the mitigation makes no difference to the risk assessment.**
- 7.8. **AC felt that Risks 003 and 010 could be combined.**
- 7.9. DA said that some external risks may not have any internal mitigation, but should still be recorded.
- 7.10. **The Board of Trustees approved the Risk Register, and agreed to bring it back to the next meeting in March to allow more time to be spent by Trustees with it.**

Strategy Trackers Update

- 7.11. GD explained that the current Organisational Strategy will be refreshed in 2026, following the launch of the manifesto for the sector.
- 7.12. **The Board of Trustees noted the updated trackers.**

Governance Framework

- 7.13. AW explained that the Governance Framework has been updated in line with the recent changes to the Board and Articles of Association, but also on the basis of legal advice.
- 7.14. **DA suggested that section 1.1 should say that the Board "set strategy and agree structure"**
- 7.15. **PS suggested that section 1.3 required stronger wording, the principle is correct but needs to show a clearer division of responsibilities.**
- 7.16. **WH asked that sections 1.3.1 (role of Chair) and 1.3.2 (role of CEO) need to be checked with the most recent role descriptions as both seem to be based on older outlines. Perhaps the addition of "...Colleges Scotland, as an organisation" would differentiate enough from the wider sector.**
- 7.17. **In section 2.1.8 RSB should be spelled out as "Regional Strategic Body".**
- 7.18. **The Board of Trustees approved the Governance Framework with the updates included above.**

Performance Review Outcomes for CEO

- 7.19. WH asked that the CEO's performance outcomes should include specific mention of subscription model and business model.**
- 7.20. The Board of Trustees agreed to pay for membership of the Institute of Directors for the CEO to provide access to continuing personal development and training opportunities, as well as a working and meeting space in central Edinburgh.**
- 7.21. PS asked that a report be given in January 2027 on what personal development has been undertaken in the previous year.
- 7.22. The Board of Trustees agreed the CEO's performance review.**
- 8. College Employers Scotland**
 - 8.1. CC gave a verbal update on National Bargaining and the revised process for NRPA which has been agreed for both support staff and lecturing staff. An EIS pay claim is expected in March 2026.
 - 8.2. CC updated on the Job Evaluation Project, looking at equal pay across the sector. The Scottish Funding Council have produced a letter of comfort explaining that they will be evaluating the stumbling blocks towards equal pay. The Scottish Government are still committed to this but need evidence to justify their decisions.
- 9. Board of Trustees Code of Conduct**
 - 9.1. The Board of Trustees approved the updated Code of Conduct to be published on the Colleges Scotland website.**
- 10. Recruitment of Chair**
 - 10.1. It was agreed that a new Chair would have fewer duties than previous Chairs of Colleges Scotland had under the previous Governance Structure, and that remuneration of the Chair would be neither affordable for Colleges Scotland, nor in line with many other similar charities or organisations.
 - 10.2. It will be discussed at the AGM in March if the Articles of Association should be changed to allow the election of an interim chair from the existing membership.
 - 10.3. YO and DA asked about the role of Vice-Chair or Senior Independent Trustee to step in if there was a need.
 - 10.4. GD will look at external HR provision following poor feedback from the last recruitment process.**
 - 10.5. GD to speak to legal advisers about changes to the Articles of Association to allow for the election of an interim chair from the existing membership.**
 - 10.6. The Board of Trustees agreed the next steps for the recruitment of a Chair of Colleges Scotland.**
- 11. Any Other Competent Business**
 - 11.1. None.

12. Date of Next Meeting

- 12.1. SE advised that the date of the next Trustees meeting is on Thursday 26 March 2026, 1000-1200, at Colleges Scotland, Argyll Court, Stirling, FK9 4TY.
- 12.2. The Colleges Scotland Annual General Meeting will take place following the Trustees meeting from 1230-1300.
- 12.3. GD suggested that since the composition of the Board of Trustees and the AGM membership are now very different that it's likely the AGM will be online. PS queried whether there would only be one representative from each member body in attendance and if so, whether that was the Chair or Principal.
- 12.4. **GD confirmed that Colleges Scotland would find out this information and share it with members in advance of the AGM.**

NB: Bold text indicates decisions and actions which are captured in the action log.

Non-Disclosable

Action Monitoring Log

Actions from 30 October 2025 Meeting				
Action Ref	Action	Owner	Due Date	Status
30102025 – 8.8	Share information with Trustees to allow them to monitor and assess employee engagement and satisfaction following the recent change in approach.	GD	March 2026	Ongoing
Actions from 22 January 2026 Meeting				
Action Ref	Action	Owner	Due Date	Status
22012026 – 6.10-14	Amend the text of the Financial and Procedure Manual: 1.3 – Review the use of backslashes in the table to make clear who has responsibility for monitoring 3.1 – Redraft to make clear that the CEO has delegated authority up to costs of £50k but that beyond that approval from the Board through the Chair is required. 3.2 & 3.3 – Redraft to reflect a graduated approach up to £10k; £10k-£25k; and £25k and above. 3.3 - Redraft to make it clear that all use of Credit Cards must comply with existing CS policies and procedures cannot be used for personal training or professional fees. 3.3 – The typo which reads “substance” should read “subsistence”.	AW/CD	January 2026	Complete
22012026 – 6.16	Amend the text of the Treasury Management Policy so that section 3 says “Board of Trustees” instead of “Finance and General Purposes Committee”	CD	January 2026	Complete
22012026 – 7.3	Prepare a paper looking at a new funding model for subscriptions for 2026/27 for the March Trustee meeting prior to formal decision in June.	GD	March 2026	Ongoing
22012026 – 7.5-9	Review and Amend the Risk Register: 001 - need establish the reason a member wants to leave CS and seek assurance that any concerns and/or dissatisfaction has been addressed if possible by CS. 003 - consider combining with Risk 010 005 - replace ‘Effective Trustees’ with ‘Effective Management’ in the Action. 005 - precede both ‘executive engagement’ and ‘performance management system’ with ‘Effective’ 005 - include ‘and remedial actions taken where improvements are required’ after ‘Employee survey undertaken on annual basis’ 006 - add specific reference to Colleges Scotland’s Business Continuity Plan. 008 - add compliance with Equal Opps in filling posts 009 - add a need to have provision in reserves for the payment of redundancies 009 - the mitigation actions should affect the risk score 009 - include reference to the previous Board agreement from Sept 2024 Development Day to have new Business Model which has other income raising streams beyond subscriptions.	GD/AW/CD	March 2026	Ongoing
22012026 – 7.10	The Risk Register will be brought back to the next Board meeting in March to allow more time to be spent by Trustees with it.	SE/GD	March 2026	Ongoing

22012026 – 7.14-17	Review and amend the Governance Framework: 1.1 - amend the second bulletpoint under Role of Board of Trustees to “set strategy and agree structure” 1.3 - review this whole section to show a clearer division of responsibilities. 1.3.1 – Add “...Colleges Scotland, as an organisation” to differentiate from the wider sector. 1.3.1 & 1.3.2 - check that this wording matches that of the recent adverts for both roles. 2.1.8 - spell out “RSB” as “Regional Strategic Body”	AW/CD	January 2026	Complete
22012026 – 7.19	The CEO’s performance outcomes should include specific mention of subscription model and business model.	GD	January 2026	Ongoing
22012026 – 7.20	Membership will be provided to the Institute of Directors for the CEO to provide access to personal development and training opportunities as well as a working space in Edinburgh.	GD	January 2026	Complete
22012026 – 9.1	The updated Code of Conduct should be published on the Colleges Scotland website.	CD	February 2026	Complete
22012026 – 10.4	Review external HR provision following poor feedback from the last recruitment process.	GD	March 2026	Ongoing
22012026 – 10.5	Consult legal advisers about changes to the Articles of Association to allow for the election of an interim chair from the existing membership.	GD/AW	March 2026	Complete
22012026 – 10.6	Proceed with the steps set out in the paper for the recruitment of a Chair of Colleges Scotland.	CD	February 2026	Complete
22012026 – 12.4	GD confirmed that Colleges Scotland would find out if there will only be one representative from each member body in attendance at the AGM and if so, whether that was the Chair or Principal, and share this with members in advance of the AGM.	GD	March 2026	Ongoing

Colleges Scotland Board of Trustees - Register of Interests

No	Name	Remuneration	Related Undertakings	Non-financial Interests	Contracts	Houses Land and Building	Shares and securities
1	Dave Anderson	<ul style="list-style-type: none"> Interim Group Head of Place, Protection and Prosperity, Spelthorne Borough Council 	-	<ul style="list-style-type: none"> Trustee, Right There Development Committee Member, City of Glasgow College Chair, City of Glasgow International 	<ul style="list-style-type: none"> Vivid Recruitment as an Interim contractor 	-	<p>Multiple shares in a variety of companies through Personal ISA and Personal Pension.</p> <p>Shareholder in multiple EIS start-ups through Kelvin Capital.</p> <p>None of significant value or with controlling interest.</p>
2	Angela Cox	<ul style="list-style-type: none"> Principal and Chief Executive, Ayrshire College 	-	<ul style="list-style-type: none"> Non-Executive Director, Scottish Aviation Institute (SAI) – subsidiary company to Ayrshire College Board Member, Ayrshire Chamber of Commerce Board Member, Interface Board Member, Kilmarnock Town Regeneration Board 	-	-	-
3	Susan Elston	<ul style="list-style-type: none"> Chair, North East Scotland College 	-	<ul style="list-style-type: none"> Trustee, Robert Gordon University Non-Executive Director, College Development Network 	-	-	-

4	Waiyin Hatton	<ul style="list-style-type: none"> • Chair, West Scotland College • Owner/Founder, Wai Beyond People and organisational development consultancy 	-	<ul style="list-style-type: none"> • Chair, Scottish Students Sports Equality Steering Group 	-	-	-
5	Linda Johnston	<ul style="list-style-type: none"> • Strategy and Customer Experience Manager, North Lanarkshire Council 	-	-	-	-	-
6	Dr Yekemi Otaru	<ul style="list-style-type: none"> • YO Ventures Ltd • Somebody Cares Scotland (SCIO) • Robert Gordon University 	-	<ul style="list-style-type: none"> • Chancellor, University of the West of Scotland 	-	-	-
7	Pete Smith	<ul style="list-style-type: none"> • Principal and Chief Executive, Borders College 	-	<ul style="list-style-type: none"> • Non-Executive Director of APUC Limited • Trustee of Borders Further Education Trust. 	-	-	-
8	Gavin Donoghue	<ul style="list-style-type: none"> • Chief Executive, Colleges Scotland 	-	<ul style="list-style-type: none"> • Vice Chair of Edinburgh and Lothian Trust Fund 	-	-	-

Colleges Scotland
Updated: February 2026

Colleges Scotland Management Accounts to 31st January 2026

Paper 6.1

FOISA Status	Non-Disclosable
Lead	Executive

Summary:

This paper presents the Management Accounts position as at 31st January 2026 (six months) for Colleges Scotland against the F1 Forecast, along with commentary on the variances.

The following items are included in this paper:

- High Level Commentary
- Income and Expenditure Reports to 31st January 2026 against F1 Forecast (**Appendix 1**)
- Balance Sheet as at 31st January 2026 (**Appendix 2**)

Recommendation:

The Board of Trustees is asked to note the financial information provided.

Colleges Scotland
March 2026

Outturn for the Year to 31st January 2026

Income

Income was in line with the F1 forecast budget.

Expenditure

Overall expenditure was £6.5k less than the F1 forecast budget.

There were no overspends exceeding £1k noted in the period.

The underspends exceeding £1k noted in the period;

- **Computer Consumables £1.2k** – this was due to timing of an invoice.
- **Communication £1.3k** – this was due to timing of an invoice.

Please note:

These figures are against the F1 forecast budget.

Appendix 1 – Colleges Scotland Income and Expenditure Reports to 31st January 2026

Profit & Loss by Department (Advanced Budget and Variance)					
Month 6, January	Year: 2025/2026				
Month 6, January					
Department 1 - Colleges Scotland	<u>YTD</u>	<u>YTD</u>		<u>25/26</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Budget</u>	
Income					
Subscriptions	446,333	446,333	-	892,664	
Bank Interest	2,636	2,707	(71)	5,057	
Other Income	14,496	14,496	-	30,996	
		463,465	463,536	(71)	928,717
Staffing Costs					
Core Staffing	341,285	341,495	210	706,948	
Holiday Pay	-	-	-	-	
Other Staffing	3,240	4,020	780	11,400	
		344,525	345,515	990	718,348
Other Costs					
Staff Support Costs	9,379	9,959	580	24,865	
Office Facilities	37,216	38,195	979	82,923	
Professional Fees	6,504	6,661	157	13,052	
Printing	-	-	-	2,000	
Reference Materials	740	740	-	1,633	
Consumables	3,041	3,243	202	7,261	
Computer Consumables	7,849	9,027	1,178	16,741	
Communications	944	2,294	1,350	9,194	
Room Hire & Hospitality	610	1,541	931	7,479	
External Travel & Subsistence	108	-	(108)	500	
Miscellaneous Other	51	45	(6)	44	
Development & Commissions	2,304	2,304	-	4,965	
Bank Charges & Interest	591	773	182	1,493	
Dilapidations	1,722	1,721	(1)	3,442	
Depreciation	9,033	8,849	(184)	20,070	
		80,092	85,352	5,260	195,662
Gross Profit / (Loss):		38,848	32,669	6,179	14,707
Support & Governance					
SLA Costs	5,004	5,287	283	10,857	
Governance	3,582	3,582	-	7,164	
		8,586	8,869	283	18,021
Total Expenditure		433,203	439,736	6,533	932,031
Net Profit / (Loss):		30,262	23,800	6,462	(3,314)

Appendix 2 – Balance Sheet as at 31st January 2026

Balance Sheet as at 31st January 2026		
	2024-2025	2025-2026
	31st January 2025	31st January 2026
Fixed Assets		
Office Equipment	24,119.31	18,765.43
Furniture and Fittings	34,016.46	26,314.62
	58,135.77	45,080.05
Current Assets		
Trade Debtors	58.00	0.00
Prepayments & Accrued Income	22,468.07	35,695.62
Lease Deposit	36,000.00	36,000.00
Other Debtors	29.99	0.00
Staff Expenses and Credit Card	(4,966.19)	(3,563.86)
Bank Accounts	1,218,332.66	1,188,583.64
	1,271,922.53	1,256,715.40
Current Liabilities		
Trade Creditors	14,328.99	15,797.63
PAYE	23,867.97	29,228.18
Accruals and deferred income	508,048.14	508,690.80
Pension	25,102.13	30,557.39
	571,347.23	584,274.00
Current Assets less Current Liabilities:	700,575.30	672,441.40
Total Assets less Current Liabilities:	758,711.07	717,521.45
Long Term Liabilities		
Dilapidations Provision	54,932.00	61,820.00
Pension Fund	0.00	0.00
	54,932.00	61,820.00
Total Assets less Total Liabilities:	703,779.07	655,701.45
Capital & Reserves		
General Funds b/fwd	670,051.43	492,104.03
P & L Account	33,727.64	163,597.42
Pension Reserve	0.00	0.00
	703,779.07	655,701.45

College Employers Scotland Management Accounts to 31st January 2026

Paper 6.2

FOISA Status	Non-Disclosable
Lead	Executive

Summary:

This paper presents the Management Accounts position as at 31st January 2026 (six months) for College Employers Scotland against F1 Forecast, along with commentary on the variances.

The following items are included in this paper:

- High Level Commentary
- Income and Expenditure Reports to 31st January against F1 Forecast (**Appendix 1**)

Recommendation:

The Board of Trustees is asked to note the financial information provided.

Colleges Scotland
March 2026

Outturn for the Year to 31st January 2026

Income

Income was in line with the F1 forecast budget.

Expenditure

Expenditure was £12.8k less than the F1 forecast budget.

There were no overspends exceeding £1k noted in the period.

Underspends exceeding £1k are noted below;

- **Core Staffing £1.9k** – this was due to a reduction in hours for a full-time member of staff and reduced working month for new member of staff.
- **Other Staffing £3.7k** – this was due to lower than forecasted costs and timing of invoices for Consultants (Projects)
- **Staff Support Costs £1.2k** – this was due to lower than forecasted costs for Staff Welfare and T&S Internal.
- **Professional Fees £1.5k** – this was due to lower than forecasted costs for Legal Fees.
- **Computer Consumables £2.5k** – this was due to timing of an invoice.

Please note:

These figures are against the F1 forecast budget.

Appendix 1 – College Employers Scotland Income and Expenditure Reports to 31st January 2026

Profit & Loss by Department (Advanced Budget and Variance)						
Month 6, January						
Month 6, January						
Department 2 - College Employers Scotland	<u>YTD</u>	<u>YTD</u>	<u>YTD</u>	<u>25/26</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Budget</u>		
Income						
EA Grant Income	498,000	498,000	-	996,000		
Facilities Time	-	-	-	-		
Other Income	-	-	-	-		
		498,000	498,000	-		996,000
Staffing Costs						
Core Staffing	254,080	255,978	1,898	554,940		
Holiday Pay	-	-	-	-		
Other Staffing	10,690	14,350	3,660	54,000		
		264,770	270,328	5,558		608,940
Other Costs						
Facility Time Costs	-	-	-	65,000		
Staff Support Costs	25,990	27,240	1,250	38,260		
Office Facilities	37,216	38,195	979	82,923		
Professional Fees	6,931	8,437	1,506	70,548		
Printing	3	3	-	53		
Reference Materials	821	821	-	1,704		
Consumables	2,986	3,256	270	6,863		
Computer Consumables	11,016	13,562	2,546	23,909		
Communications	244	524	280	855		
Room Hire & Hospitality	1,355	1,417	62	3,917		
External Travel & Subsistence	-	-	-	300		
Miscellaneous Other	22	-	(22)	-		
Development & Commissions	2,952	2,952	-	6,630		
Job Evaluation Software	-	-	-	-		
Bank Charges & Interest	51	145	94	223		
Dilapidations	1,722	1,721	(1)	3,442		
Depreciation	-	-	-	-		
		91,309	98,273	6,964		304,627
Gross Profit / (Loss):		141,921	129,399	12,522		82,433
Support & Governance						
SLA Costs	5,004	5,287	283	10,857		
Governance	3,582	3,582	-	7,164		
		8,586	8,869	283		18,021
Total Expenditure		364,665	377,470	12,805		931,588
Net Profit / (Loss):		133,335	120,530	12,805		64,412

Colleges Scotland Subscriptions 2026/27

Paper 6.3

FOISA Status	Non-Disclosable
Lead	Secretary to the Board

Summary:

This paper presents options related to the Colleges Scotland subscription approach for 2026/27.

Recommendations:

The Board of Trustees is asked to:

- Note the contents of this paper
- Note that at the AGM the opportunity will be taken to gather views from all members
- Agree a preferred option

Colleges Scotland
March 2026

Colleges Scotland Subscriptions 2026/27

Background

The Board of Trustees at its meeting on 26 June 2025 agreed to explore an updated subscription model for AY 2026/27.

In undertaking work in relation to this action, the Executive has taken into account:

- The expectation to provide opportunity for discussion in regard subscriptions at the AGM, to allow all members to contribute views
- Recognition that the mixture of flat cash and percentage uplifts over the years has meant a drift away from the subscription amount for a region reflecting its proportion of the core grant received from SFC
- The recent (12 March – West Lothian College) and anticipated (Board meeting – 1 April – Glasgow Clyde College) rescinding of the notices to withdraw from membership related to two member colleges, therefore moving forward with full membership
- The 10% uplift in revenue and capital budgets received by the college sector as part of the Scottish Government's budget settlement for 2026/27
- The break clause on the lease for Argyll Court in January 2028, which requires one-years notice (i.e. by January 2027)
- The paper agreed at the Extraordinary CES meeting held on 6 March 2026, noting the position of the SFC for funding CES activities in future years. Whilst noting that the CES showed little enthusiasm for the approach, did recognise that the current arrangements of funding for CES from Strategic Funds for 2026/27 will be the last year of this approach.
- Both the opportunities and risks that this provides, in regard managing the structure of the organisation, that were not available previously.
- The potential benefit for members in considering all of these aspects in parallel.

Planning for 2027/28

Looking ahead to 2027/28, there will be a need for further discussions on the potential scenarios around the opportunities provided by funding of both Colleges Scotland and CES from subscriptions. These would include, but not limited to, a streamlined payment and efficiencies in services being able to be realised through, for example, viring funds and full utilisation of underspends. Other longer term options around subscriptions could include banding and consideration of the approach to associate membership.

Suggested approach to be undertaken for 2026/27

In order to facilitate the space for the more comprehensive discussions on the model for subscriptions for the longer term, whilst taking forward the ethos of exploring potential updates to the model, the following options are proposed for 2026/27:

- Option 1 - Rebaseline subscription level for each college / Highlands and Islands region in line with proportion of core teaching grant received in 2025/26 + 3 or 5%, and providing a de-minimus amount for full membership (followed by minor equalisation in 2027/28)
- Option 2 - 3 or 5% increase, (then rebaseline in 2027/28, and minor equalisation in 2028/29)
- Option 3 – Rebaseline as in Option 1 + 3 or 5% increase + minor equalisation in 2026/27, taking into account a de-minimus amount for full membership

For information, the subscription level for each college / region was last calculated as a direct proportion of the core teaching grant in 2014, with the subsequent increases agreed by the Board of Colleges Scotland as a percentage to be applied to all subscriptions. Therefore, a rebaseline exercise would enable the link to current proportion of SFC funding to be incorporated.

The minor equalisation involves reducing the differential between the highest and lowest subscription levels paid by full members, whilst recognising that a de-minimus level had previously existed in relation to full membership. This differential is £76.7k for 2025/26, with Option 1 reducing the differential to £66.9k; whilst Option 3 would reduce this to £63.2k or £65.2k, depending on percentage increase option chosen.

The impact on subscription levels for each of these scenarios is set out in Appendix 1 to this paper.

Additional points to note:

- With the disaggregation of Glasgow and Lanarkshire regions into individual colleges, the highest paying membership has changed, it is now Edinburgh College and Highlands and Islands region which are now the two broadly similar biggest paying members. Previously the highest paying member was the Glasgow colleges regional board.
- South Lanarkshire College is the new lowest paying member, as a result of being treated separately now.
- The paper prepared for the AGM does not include the detail of individual college payments, but covers the principles of the new subscriptions model for 2026/27.

Recommendations

The Board of Trustees is asked to:

- Note the contents of this paper
- Note that at the AGM the opportunity will be taken to gather views from all members
- Agree a preferred option

Colleges Scotland
March 2026

Appendix 1

- Option 1 - Rebaseline subscription level for each college / Highlands and Islands region in line with proportion of core teaching grant received in 205/26 + 3 or 5%, and providing a de-minimus amount for full membership (followed by minor equalisation in 2027/28)

College	CS Subscription 2025-26	3% increase rebase lining to 2025	Amount of increase or decrease	5% increase rebaselining to 2025	Amount of increase or decrease
Ayrshire College	£62,541.00	£66,762.86	£4,221.86	£68,059.23	£5,518.23
Borders College	£30,113.00	£22,000.00	-£8,113.00	£22,000.00	-£8,113.00
City of Glasgow College	£71,008.39	£79,623.97	£8,615.58	£81,170.06	£10,161.67
Dumfries and Galloway College	£30,113.00	£22,000.00	-£8,113.00	£22,000.00	-£8,113.00
Dundee and Angus College	£50,960.00	£56,767.03	£5,807.03	£57,869.30	£6,909.30
Edinburgh College	£79,914.00	£88,885.65	£8,971.65	£90,611.59	£10,697.59
Fife College	£64,858.00	£67,567.25	£2,709.25	£68,879.23	£4,021.23
Forth Valley College	£39,378.00	£45,122.94	£5,744.94	£45,999.11	£6,621.11
Glasgow Clyde College	£56,282.22	£63,777.98	£7,495.76	£65,016.39	£8,734.17
Glasgow Kelvin College	£38,328.39	£43,215.54	£4,887.15	£44,054.67	£5,726.28
Highlands and Islands UHI	£98,445.00	£88,167.06	-£10,277.94	£89,879.05	-£8,565.95
New College Lanarkshire	£65,147.25	£67,653.32	£2,506.07	£68,966.98	£3,819.73
North East Scotland College	£63,700.00	£63,614.32	-£85.68	£64,849.55	£1,149.55
South Lanarkshire College	£21,715.75	£24,864.96	£3,149.21	£25,347.77	£3,632.02
West College Scotland	£74,123.00	£79,918.26	£5,795.26	£81,470.07	£7,347.07
West Lothian College	£30,113.00	£24,909.59	-£5,203.41	£25,393.27	-£4,719.73
Newbattle Abbey College	£1,448.00	£1,849.66	£401.66	£1,885.57	£437.57
Sabhal Mòr Ostaig UHI	£1,737.00	£2,530.34	£793.34	£2,579.48	£842.48
SRUC	£12,740.00	£17,586.79	£4,846.79	£17,928.28	£5,188.28
	£892,665.00	£926,817.52	£34,152.52	£943,959.61	£51,294.61

- Option 2 - 3 or 5% increase (then rebase in 2027/28, and minor equalisation in 2028/29)

College	CS Subscription 2025-26	3% increase continuing with 2014 baseline	Amount of increase or decrease	5% increase continuing with 2014 baseline	Amount of increase or decrease
Ayrshire College	£62,541.00	£64,417.23	£1,876.23	£65,668.05	£3,127.05
Borders College	£30,113.00	£31,016.39	£903.39	£31,618.65	£1,505.65
City of Glasgow College	£71,008.39	£73,138.64	£2,130.25	£74,558.81	£3,550.42
Dumfries and Galloway College	£30,113.00	£31,016.39	£903.39	£31,618.65	£1,505.65
Dundee and Angus College	£50,960.00	£52,488.80	£1,528.80	£53,508.00	£2,548.00
Edinburgh College	£79,914.00	£82,311.42	£2,397.42	£83,909.70	£3,995.70
Fife College	£64,858.00	£66,803.74	£1,945.74	£68,100.90	£3,242.90
Forth Valley College	£39,378.00	£40,559.34	£1,181.34	£41,346.90	£1,968.90
Glasgow Clyde College	£56,282.22	£57,970.69	£1,688.47	£59,096.33	£2,814.11
Glasgow Kelvin College	£38,328.39	£39,478.24	£1,149.85	£40,244.81	£1,916.42
Highlands and Islands UHI	£98,445.00	£101,398.35	£2,953.35	£103,367.25	£4,922.25
New College Lanarkshire	£65,147.25	£67,101.67	£1,954.42	£68,404.61	£3,257.36
North East Scotland College	£63,700.00	£65,611.00	£1,911.00	£66,885.00	£3,185.00
South Lanarkshire College	£21,715.75	£22,367.22	£651.47	£22,801.54	£1,085.79
West College Scotland	£74,123.00	£76,346.69	£2,223.69	£77,829.15	£3,706.15
West Lothian College	£30,113.00	£31,016.39	£903.39	£31,618.65	£1,505.65
Newbattle Abbey College	£1,448.00	£1,491.44	£43.44	£1,520.40	£72.40
Sabhal Mòr Ostaig UHI	£1,737.00	£1,789.11	£52.11	£1,823.85	£86.85
SRUC	£12,740.00	£13,122.20	£382.20	£13,377.00	£637.00
	£892,665.00	£919,444.95	£26,779.95	£937,298.25	£44,633.25

- Option 3 - Rebaseline as in Option 1 + 3 or 5% increase + minor equalisation in 2026/27, taking into account a de-minimus amount for full membership

College	CS Subscription 2025-26	3% increase rebaselining to 2025	Amount of increase or decrease	5% increase rebaselining to 2025	Amount of increase or decrease
Ayrshire College	£62,541.00	£66,762.86	£4,221.86	£68,059.23	£5,518.23
Borders College	£30,113.00	£22,000.00	-£8,113.00	£22,000.00	-£8,113.00
City of Glasgow College	£71,008.39	£79,623.97	£8,615.58	£81,170.06	£10,161.67
Dumfries and Galloway College	£30,113.00	£22,000.00	-£8,113.00	£22,000.00	-£8,113.00
Dundee and Angus College	£50,960.00	£56,767.03	£5,807.03	£57,869.30	£6,909.30
Edinburgh College	£79,914.00	£85,198.00	£5,284.00	£87,279.00	£7,365.00
Fife College	£64,858.00	£67,567.25	£2,709.25	£68,879.23	£4,021.23
Forth Valley College	£39,378.00	£45,122.94	£5,744.94	£45,999.11	£6,621.11
Glasgow Clyde College	£56,282.22	£63,777.98	£7,495.76	£65,016.39	£8,734.17
Glasgow Kelvin College	£38,328.39	£43,215.54	£4,887.15	£44,054.67	£5,726.28
Highlands and Islands UHI	£98,445.00	£84,480.00	-£13,965.00	£86,547.00	£11,898.00
New College Lanarkshire	£65,147.25	£67,653.32	£2,506.07	£68,966.98	£3,819.73
North East Scotland College	£63,700.00	£63,614.32	-£85.68	£64,849.55	£1,149.55
South Lanarkshire College	£21,715.75	£24,864.96	£3,149.21	£25,347.77	£3,632.02
West College Scotland	£74,123.00	£79,918.26	£5,795.26	£81,470.07	£7,347.07
West Lothian College	£30,113.00	£24,909.59	-£5,203.41	£25,393.27	-£4,719.73
Newbattle Abbey College	£1,448.00	£1,849.66	£401.66	£1,885.57	£437.57
Sabhal Mòr Ostaig UHI	£1,737.00	£2,530.34	£793.34	£2,579.48	£842.48
SRUC	£12,740.00	£17,586.79	£4,846.79	£17,928.28	£5,188.28
	£892,665.00	£919,442.80	£26,777.80	£937,294.97	£44,629.97

Risk Register

Paper 7.1

FOISA Status	Non-Disclosable
Lead	Senior Leadership Team

Summary:

In January 2026 the Board of Trustees requested a “deep dive” on Colleges Scotland’s Risk Register at the following meeting. The Senior Leadership Team have reviewed and amended the risks (marked in red) and updated the Quarterly Update for discussion at the meeting on Thursday 26 March 2026.

Recommendations:

The Board of Trustees is asked to:

- consider and agree any amendments made by the Senior Management Team
- consider the completeness and appropriateness of the Risk Register overall
- consider if the risk appetite of the organisation is accurately reflected
- consider whether some risks such as 008 and 012 might be more usefully combined
- approve the Risk Register

Colleges Scotland
March 2026

RISK REGISTER SCALE

Annex 1

PROBABILITY	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
	IMPACT					

Likelihood	The probability that the risk and its associated impacts could occur
1	Risk is unlikely to occur
2	Risk may occasionally occur
3	Risk is likely to occur
4	Risk may often occur
5	Risk could easily, or does, occur

Impact	Impact the risk would have on the business	
1	No significant impact on the business	£10,000 or less
2	Has a small impact on the business	£10,001 - £100,000
3	Has limited impact on the business	£100,001 - £300,000
4	Has a large impact on the business	£300,000 - £1 million
5	Has a serious impact on the business	£1 million - £4 million

Overview:

Strategic Risks						
Strategic Aim	Risk	Description	Board Risk Appetite	Gross Risk	Net Risk	Net Risk Movement
Aim 5	001	Members give notice to leave Colleges Scotland	Low / Medium	Medium Risk	Medium Risk	→
Aim 2	003	Lack of awareness of sector issues which could cause reputational damage to Colleges Scotland among members both the sector and the sector organisation	Low / Medium	Medium Risk	Medium Risk	↓
Aim 1	004	Failure of ongoing effective working relationship with trade unions as key stakeholders that impacts the reputation of Colleges Scotland	Low / Medium	Medium Risk	Medium Risk	→
Aim 1, 2, 3, 4, 5	010	Risk to the organisation and sector in light of the outcomes of key sector Reviews (SFC, Hayward, Withers, Purpose and Principles). Uncertainty for the tertiary and skills sector given the potential implication/risks that may result in the findings and recommendations from these Reviews	Medium / High	Medium Risk	Low Risk	→
Aim 1, 2, 3, 4, 5	010	Failure to properly manage and implement National Job Evaluation	Low / Medium	High Risk	Medium Risk	→
Aim 1, 2, 3, 4, 5	011	Failure to disperse Job Evaluation monies (approx. £80 million) and the money is not being retained by Scottish Government for this purpose	Low / Medium	High Risk	Medium Risk	→
Financial Risks						
Strategic Aim	Risk	Description	Board Risk Appetite	Gross Risk	Net Risk	Net Risk Movement
Aim 5	002	Membership subscriptions paid late	Low / Medium	Medium Risk	Low Risk	→
Aim 3	007	College Employers Scotland Funding from SFC diminished or not continued	Low / Medium	Medium Risk	Medium Risk	→
Aim 5	009	Failure to properly manage the future financial sustainability of the organisation	Low / Medium	Medium Risk	Medium Risk	↓
Aim 5	012	Ability to carry out key corporate functions (finance, HR, ICT, governance) if significant numbers of staff leave or are ill at the same time, as well as maintain an effective working relationship with external providers for finance and HR services.	Low / Medium	Medium Risk	Medium Risk	→
Operational Risks						
Strategic Aim	Risk	Description	Board Risk Appetite	Gross Risk	Net Risk	Net Risk Movement
Aim 5	005	Difficulty in retaining and recruiting staff	Low / Medium	Medium Risk	Low Risk	↓
Aim 6	006	Risk of cyberattack to Colleges Scotland data and information and 'physical' risk to Colleges Scotland as a whole	Low	Medium Risk	Medium Risk	→
Aim 5	008	Dependency on key personnel and succession planning	Low / Medium	Medium Risk	Low Risk	→

Risk Register (March 2026)

STRATEGY	RISKS				EVALUATION OF RISK				MANAGEMENT OF RISK						
	Colleges Scotland Strategic Aims	Risk ID	Risk Owner	Board Risk Appetite	Risk Description	Likelihood	Impact	Gross Risk Score	Gross Risk Trend	Mitigating Actions	Responsibility for Mitigating Action	Likelihood	Impact	Net Risk Score	Net Risk Trend
Aim 5: Be an improving organisation providing value for our members	001	Board	Low / Medium	Members give notice to leave Colleges Scotland	4	3	12	↓	Effective Board of Trustees Communication strategy including regular communications and activity updates 1-1 meetings with members Obtain member feedback Chief Executive and Directors operating effectively and building the appropriate relationships with key stakeholders Delivering to agreed workplans and monitoring strategic objectives Clarity on notice period to members Sector document on colleges as anchor institutions for economic growth launched in November 2024 Effective engagement with budget process and manifesto work Action taken to address any concerns raised by members within Colleges Scotland	Trustees and Executive	3	3	9	→	<ul style="list-style-type: none"> An up-to-date Strategic Plan and Strategy Trackers, with plans to refresh in 2026. Chairs and Principals welcomed the Manifesto launch and the outcome of the Budget announcement. Offer to address individual college boards continues, recent examples at North East Scotland and South Lanarkshire. Engagement continues on the future of the UHI Colleges status and structures which remain uncertain and may impact CS. Notices to resign membership expected to be rescinded by Glasgow Clyde College and West Lothian College in April 2026. A new subscription model for 2026/27 with greater emphasis on member benefits being considered. Discussion planned at the 2026 AGM.
	002	Board	Low / Medium	Membership subscriptions paid late	2	3	6	→	Trustees and AGM-committee awareness of costs and subscriptions Regular CS activity updates with CS board and members Regular budget monitoring All subscriptions due to be sent in early July dated for 1 August	Audit Committee and Executive	1	3	3	→	<ul style="list-style-type: none"> An updated subscription payment tracking process has been successfully introduced, which is reviewed monthly to ensure more prompt payment New governance arrangements been introduced to address member concerns All subscriptions received for 2025/26
Aim 2: Raise the profile and enhance the reputation of Scotland's Colleges Sector.	003	Board	Low / Medium	Lack of awareness of sector issues which could cause reputational damage to Colleges Scotland among members both the sector and the sector-organisation	3	4	12	↓	Strong executive leadership Sector engagement Agreed protocols for communication Clear lines of communication Relationship management/single point of contact Monitor strategic objectives CEO sends weekly CS/CES update each Friday CS representatives invited to all key sector meetings	Executive	2	3	6	↓	<ul style="list-style-type: none"> Key sector groups currently meet on a regular basis to discuss sector issues and liaise with key stakeholders to determine the way forward in each instance (e.g. Scottish Government, SFC, MAWG, CPG, Trade Unions and Management Side, Executive, SDS, CS Trustees) Tertiary Education and Training (Funding and Governance) Bill, 2026 Budget, Holyrood Election Manifesto, and College Sector of the Future Regular engagement with College Chairs' Group Continued strategic engagement and dialogue with Scottish Government and SFC Publication of Daily Monitoring Report, monthly Lines to Take, monthly Policy Updates, annual Key Facts and annual CS report Improved relationship with SFC and have published clear ToR for Tripartite Alignment Group with sector input Strong Executive Leadership with CS' CEO visiting a number of colleges in-person Policy team continuing engagement visits to colleges
Aim 1: Lead and influence policy Aim 2: Raise the profile and enhance the reputation of Scotland's Colleges Sector.	004	Board	Low / Medium	Failure of ongoing effective working relationship with trade unions as key stakeholders that impacts the reputation of Colleges Scotland	4	3	12	→	Clear lines and branding separation between CES (NB) and CS (Policy & Comms) activity Memorandum of Authority between CES and CS Board of Trustees Hold engagement meetings for key activity Invite TU bodies to key sector engagement events along with other key stakeholders.	Trustees and Executive	2	3	6	→	<ul style="list-style-type: none"> Publication of new NRPA, and early engagement on pay claim Induction and handover with new Director of CES completed successfully
Aim 5: Be an improving organisation providing value for our members.	005	Board	Low / Medium	Difficulty in retaining and recruiting staff	4	2	8	→	Considerate people management Clear priorities Active Employee Engagement Group Effective performance management system Specific tailored support for individuals inc. CPD opportunities Specialist recruitment companies A clearly defined set of organisation values and behaviours Benefits package including hybrid working Clearer linkage to Value for Money and seen delivering for the colleges Employee survey undertaken on annual basis and remedial actions taken where improvements are required.	Trustees and Executive	2	2	4	↓	<ul style="list-style-type: none"> Staff are informed of the benefits and support services available to them via emails and All Staff meetings The organisation has mainstreamed hybrid working in an attempt to help retain current staff and help widen options to attract staff from further afield in future recruitment drives CES continues to populate the Team as per the business case agreed in February 2022 Changes to pension arrangements for any new staff joining the organisation Have new set organisation's values, and further work on behaviours is being undertaken with the Employee Engagement Group. An Employee Engagement Group which feeds directly into the Executive Team. External staff survey on organisational culture and values with HR Partners to be run after feedback from the Employee Engagement Group. Weekly meetings of the whole staff team
	006	Board	Low	Risk of cyberattack to Colleges Scotland data and information and 'physical' risk to Colleges Scotland as a whole	4	4	16	→	Service provider has safeguarding protocols, policies and procedures in place. Colleges Scotland has a Business Continuity Plan incorporating ICT disasters Keep awareness high and regular technology updates	Executive	3	3	9	→	<ul style="list-style-type: none"> Colleges Scotland is a Cyber Essentials approved organisation, which is a UK government information assurance scheme that is operated by the National Cyber Security Centre, that encourages organisations to adopt good practice in information security Received a reduction in premium in insurance because of having Cyber Essentials. Colleges Scotland has Cyber Risk Insurance in place (limit of indemnity £500k) and cover for business interruption. Cover to be extended 1 Apr 2026 Colleges Scotland has a contract in place with RazorBlue for Managed IT Support Service, including proactive and on-going administration and maintenance of the installed systems and services and an agreed response times for critical incidents Business Continuity Plan and ICT Disaster Recovery Plan to be reviewed in March 2026 by Trustees All staff are required to undertake mandatory iHasco Online Training in Cyber Security Awareness. Organisation undertaken Joomla upgrades to websites to increase the security of the admin panel process
Aim 3: Advocate for the delivery of increased sector resource.	007	Board	Low / Medium	College Employers Scotland Funding from SFC diminished or not continued	4	4	16	→	Ensure timely submission of business case beyond the current funding period Conduct quarterly meetings with SFC to keep them updated on developments in this area	Chief Executive and Director of CES	3	3	9	→	<ul style="list-style-type: none"> SFC has confirmed funding arrangements for 2025/26 in June 2025 but are seeking a subscription model in 2026/27 CES discussed SFC suggestion at most recent meeting but has not received formal paper from SFC to date . No suggestion from SFC of reduced funding levels.

STRATEGY	RISKS				EVALUATION OF RISK				MANAGEMENT OF RISK						
	Colleges Scotland Strategic Aims	Risk ID	Risk Owner	Board Risk Appetite	Risk Description	Likelihood	Impact	Gross Risk Score	Gross Risk Trend	Mitigating Actions	Responsibility for Mitigating Action	Likelihood	Impact	Net Risk Score	Net Risk Trend
Aim 5: Be an improving organisation providing value for money for our members.	008	Board	Low / Medium	Dependency on key personnel and succession planning	3	3	9	↓	Succession planning Compliance with Equal Opportunities requirements when filling posts Clear job descriptions for staff and development opportunities identified in CPDs Operational Plans reviewed at full team meetings	Trustees and Chief Executive	2	2	4	→	<ul style="list-style-type: none"> Key roles are well documented within job descriptions and embedded within the organisation's operational plan, team workplans and the performance management system, to assist if key personnel move on or are ill Workforce development and succession plan to be reviewed by SLT with reference to similar organisations. Changeover to new CES Director successful
Aim 5: Be an improving organisation providing value for money for our members.	009	Board	Low / Medium	Failure to properly manage the future financial sustainability of the organisation	4	4	16	→	CS governance structure embedded Provision is made in reserves for the payment of redundancies Board agreement from Sep 2024 Development Day to develop a new business model with other income beyond subscriptions Executive setting a balanced budget Executive have developed a 5 year forecast which plans for sustainability	Trustees and Executive	3	3	9	↓	<ul style="list-style-type: none"> Budget with bi-annual re-forecasting in place. The Executive maintains the 5 year forward forecast and will review again after the next subscriptions are set Pay award to staff continues the move away from following the outcomes of National Bargaining to ensure sustainability of the organisation Work being done to further reduce costs in non staff areas e.g. mobiles, electricity, IT ESP has confirmed continuation of sub tenancy arrangements to same time period of CS, and World Skills wish to continue arrangements Seeking to establish additional income streams related to the building New Treasury management procedures generating an increasing income amounting in place. Global factors such as international fuel costs or pandemics continue to increase the uncertainty of the future.
Aim 1, 2, 3, 4, 5	010	Board	Medium / High	Risk to the organisation and sector in light of the outcomes of key sector Reviews (SFC, Hayward, Withers, Purpose and Principles). Uncertainty for the tertiary and skills sector given the potential implication/risks that may result in the findings and recommendations from these Reviews	2	3	6	→	Work with sector leaders through relevant activity - CS Board, College Chairs' Group, College Principals' Group, TIU Conventions and working groups. Strategic Dialogue with SFC/Scottish Government	Trustees and Executive	1	2	2	→	<ul style="list-style-type: none"> Regular strategic dialogue meetings and communications with Scottish Government The CS board has agreed sector positions on the recommendations from the Reviews The outputs from TIU Conventions supported work on development of Withers Review response and the endorsed Manifesto and Draft Budget documents Provision of proactive suggestions to Scottish Government on a Colleges First approach Continued dialogue at Ministerial and officials levels
Aim 1, 2, 3, 4, 5	010	Board	Low / Medium	Failure to properly manage and implement National Job Evaluation	5	5	25	→	Regular strategic dialogue with Scottish Government and Scottish Funding Council Regular reporting, and discussion, of status and next steps at CES Executive and CES, including budgets and updated timescales. Expertise of HR Strategic Group and FD Network also used, as required CS Board kept updated on progress due to accountability, and potential reputational risk. Regular reporting, and approval, of status and next steps of project at CES Executive and CES, including budgets and updated timescales. Keep CS Board briefed on developments in this area Head of National Bargaining leads on this area and regularly engages with the support staff trade unions to seek solutions. Now part of handover to new Head of National Bargaining	Chair of CES, Director of CES and Colleges Scotland Senior Leadership Team	3	5	15	→	<ul style="list-style-type: none"> Since June, employers have worked to plot out a project plan in conjunction with TUs using Microsoft Project Office, but progress to date has been slower than anticipated due to periods of annual leave SFC continue to be kept in the loop on progress with CES seeking meetings with SFC and SG officials Targetted discussions with UNISON and Unite began in November 2024, in light of new UNISON internal governance arrangements and continue to bear fruit February 2025 - TUs agreed to joint comms making clear that Job Evaluation was not the same as Pay Harmonisation across the sector March 2025 - Job Evaluation discussed at NJNC side table CES Agreed new way forward with TUs in April 2025 TUs held consultative ballots with members in May 2025 where they agreed a new way forward with employers GMB is not supportive of this new approach Approach discussed at CES at last meeting
Aim 1, 2, 3, 4, 5	011	Board	Low / Medium	Failure to disperse Job Evaluation monies (approx. £80 million) and the money is not being retained by Scottish Government for this purpose	5	5	25	→	CES Team with responsibility to progress National Job Evaluation Regular reporting, and discussion, on the status of the National Job Evaluation monies at the CES Executive and CES Regular dialogue with SG, SFC regarding monies and extended timescales for the disbursement	Chair of CES, Chief Executive and Director of CES	3	5	15	→	<ul style="list-style-type: none"> CES discussed this area of work at its last meeting. SG has publicly accepted the balance sheet liability for JE project, and this has been confirmed in latest Audit Scotland report. CEO continues to raise with SFC and SG on regular basis, and was discussed with new FE Minister at first meeting.
Aim 5: Be an improving organisation providing value for money for our members.	012	Board	Low / Medium	Ability to carry out key corporate functions (finance, HR, ICT, governance) if significant numbers of staff leave or are ill at the same time, as well as maintain an effective working relationship with external providers for finance and HR services.	3	5	15	→	All processes and procedures are up to date Processes and procedures are stored centrally Sector support brought in if required	Executive	2	5	10	→	<ul style="list-style-type: none"> Key roles are documented within job descriptions and embedded within the organisation's operational plan, team workplans and the performance management system, to assist if key personnel move on or are ill. Some key services undertaken by external suppliers, in order to provide resilience to the organisation. Review and prioritise resource within the organisation including use of consultants Use the sector for advice and guidance, and support if needed. Requests to be made through the principals' and chairs' groups.

Business Continuity Plan and ICT Disaster Recovery Plan

March 2026

Document Control Information

Revised an Updated by the DRT	March 2026
To be Approved by the Board of Trustees	March 2026
Date of Next Review	March 2029
Contacts to be updated annually, last updated:	March 2026

Introduction

The purpose of this document is to guide the Senior Leadership Team (SLT) and designated staff if a major disaster (e.g. fire, flood, or weather-related events and cyber attacks or national pandemic) occurs. This may involve all or part of the office facilities (West and South wings within Argyll Court) being destroyed or a requirement for staff to work from home longer term.

All staff should read and understand the arrangements set out in this plan and know in the event of a major disaster who are the primary contacts.

This document will also form part of the staff induction process.

Disaster Recovery Team

The Disaster Recovery Team (DRT) will be made up of the following staff and at least one member of the Executive team, depending on the major disaster that has taken place. They will meet either in person or via video conferencing.

Staff Member	Roles
Chief Executive Officer	Oversee the efforts and strategies of the organisation and keep the chair and full board of trustees briefed on matters pertinent to this policy
Director of Strategic Policy and Corporate Governance	Oversee work priorities with staff
Director of College Employers Scotland	Oversee work priorities with staff
Head of Communications and Public Affairs	Co-ordinate communication with key stakeholders
Business Services Manager	Co-ordinate implementation plan and liaise with service providers. Co-ordinate communication with CES staff.
Corporate and Governance Manager	Co-ordinate implementation plan and liaise with service providers. Co-ordinate communication with CS staff.
Digital, ICT and Communications Officer	Co-ordinate implementation plan and liaise with service providers

Procedure

1. When a major disaster occurs members of the DRT should be notified and if appropriate the relevant external service providers e.g. IT, Finance, HR, Building Manager, Business Insurance, Landlord.
2. The DRT will then meet to discuss the extent of the problem.
3. The DRT will consider the options.
4. The DRT will decide on the actions and assign each action to a member of the team. Possible actions:
 - Communicate with staff
 - Liaise with relevant external service providers (IT, Finance, HR, Building Manager, Business Insurance, Landlord)
 - Contact the sub tenants
 - Contact the chair of the board of trustees within one working day, with communication to full board of trustees to follow shortly thereafter
 - Communicate with stakeholders.
5. The team will decide when they will next meet.

Contact Details for Services

Service	Service Provider	Tel Number	Email	DRT Lead	Notes
Business Insurance Broker	Greg Fergie, Accounts Executive Arthur J. Gallagher Insurance Brokers Limited	07711 949409	greg_fergie@ajg.com	Corporate and Governance Manager	Renews on 1 April.
	Alan Stevely, Claims Arthur J. Gallagher Insurance Brokers Limited	0141 285 3051	alan_stevely@ajg.com		
Landlord	Caroline Marr (Caretaker - primary contact) Fusion Group	01786 533189 07836 652010	cm.alltmore@fusiongroupuk.co.uk	Corporate and Governance Manager	
Managing Agent for Landlord	Arlene Bryen Consultant Management Surveyor Alltmore Asset Management	07707 867535	arlene@alltmore.co.uk	Corporate and Governance Manager	For Out of Hours Assistance (Emergency) 01236 700 700 control.centre@palmaris-services.com
Sub Tenants	Rob Orr, Partnership Director, ESP	07557 563 516	rob.orr@esp-scotland.ac.uk	Chief Executive Officer	
	Eric Brownlie, Ambassador Lead Scotland, WorldSkills UK		ebrownlie@worldskillsuk.org	Chief Executive Officer	
IT	IT Helpdesk Razorblue	0333 880 0001 (IT Helpline)	servicedesk@razorblue.com	Digital, ICT and Communications Officer	Staff to contact the service desk directly regarding any IT cyber attacks/breaches and inform Digital, ICT and Communications Officer. All staff to save IT Helpline email and telephone number.
	Alan Matthew, Senior Account Manager, Razorblue	0330 912 2810	amathew@razorblue.com	Digital, ICT and Communications Officer	

Service	Service Provider	Tel Number	Email	DRT Lead	Notes
Internet (Janet connection)	Jisc	0300 300 2212	operations@ja.net	Digital, ICT and Communications Officer	Fault reporting contact details.
Solicitors	Robbie Francis Thorntons	01382 346 816	rfrancis@thorntons-law.co.uk	Chief Executive Officer	
	Debbie Fellows Thorntons	03330 166 582	dfellows@thorntons-law.co.uk		
Bank	Louise Fraser Relationship Manager– SME Banking, Bank of Scotland	07725 425578	louise.fraser@bankofscotland.co.uk	Corporate and Governance Manager	
Finance	Billy Russell, Partner Dickson Middleton Chartered Accountants	01786 474718	billy.russell@dicksonmiddleton.co.uk	Corporate and Governance Manager	
	Cameron Thomson, Associate Dickson Middleton Chartered Accountants	01786 474718	cameron.thomson@dicksonmiddleton.co.uk		
HR	Vicky Murphy, Director of HR and OD, STEP HR	01786 468 360	vmurphy@stepscotland.co.uk	Business Services Manager	
	Yvonne Rawlinson, HR Adviser STEP HR	01786 476 705	yrawlinson@stepscotland.co.uk		
Mobile Telephones	02 Premium Business team	0800 588 4210	premiumbusiness@o2.com By webchat: www.o2.co.uk/business/enterprise-chat	Corporate and Governance Manager and Digital, ICT and Communications Officer	Account Number: 5406980
Estate Management Services	Lindsay Evans (General Enquiries) M-F 0900-1700 The Fusion Group	01786 533189	alltmore@fusiongroupuk.co.uk	Corporate and Governance Manager	

Service	Service Provider	Tel Number	Email	DRT Lead	Notes
	Jimmy Mills (Maintenance) M-F 0900-1700 The Fusion Group	07979 628596	jimmy@fusiongroupuk.co.uk		
Business Park Security	Out of Hours Jack Tindell, National Facilities Manager, Velway Ltd (property and compliance management)	07903 264371		Corporate and Governance Manager	
	Out of Hours Jim Roberts, Nationwide Security (contracts security team)	07718 425612		Corporate and Governance Manager	
Security Guards	Out of Hours Hours: Mon-Fri 0800-2000, Friday 2000 - Sat 1700, Sat 2000 - Sun 1700, Sun 2000 - Mon 0800	07396 919125		Corporate and Governance Manager	
Electricity	Scottish Power (Mon-Fri 0900-1700)	0345 270 0700		Corporate and Governance Manager	Account No. 16100028952 Check power cuts in your area https://www.spenergynetworks.co.uk/
	EDF	0330 912 9959	hellobusiness@edfenergy.com	Corporate and Governance Manager	Account No. A-49D7C293
Water	Business Stream	0330 123 2000		Corporate and Governance Manager	Customer ref: 2923687 and 2966389
Photocopier/ Printer	Konica Minolta		Portal https://ds-ecommerce.konicaminolta.co.uk/en-gb/ Username: linda.rankin@collegesscotland.ac.uk Password: Vgtiw28*	Corporate and Governance Manager and Digital, ICT and Communications Officer	Customer no.: 1258363 Contract no.: 420871277 Photocopier Equipment No: 1840947515 Model: bizhub C550i Serial number: AA7P021703716

Service	Service Provider	Tel Number	Email	DRT Lead	Notes
Video Conferencing Equipment	Delta Integrated Solutions	0333 577 9941 ask for the support department. The hours of cover are from 0900-1700 Mon – Thu, 0900-1600 Fri	support@deltais.co.uk (preferred method of contact)	Digital, ICT and Communications Officer	
Websites	Curtis Walker, Managing Director Hybrid Anchor Ltd	07912 287 026 0141 6486 999	curtis@hybridanchor.com	Digital, ICT and Communications Officer	Colleges Scotland, College Employers Scotland (CES) and National Negotiating Committees (NNC) websites.
Cleaner	Callum Milne, Facilities Manager Robertson Facilities Management	07767 572547	callum.milne@robertson.co.uk	Corporate and Governance Manager	The cleaner (Louise) is on site on a Tuesday and Thursday (usually between 0600 and 0800).

Current Set Up of Services

Server Room

The server room is in the West Wing and contains the following equipment managed by the IT provider:

- Firewalls
- Network Switches
- UPS (Uninterruptible Power Supply) device

The server room also contains the Jisc Janet internet connection.

Back up of Files

Files and emails are backed up in a separate cloud storage environment.

Cyber Essentials Certified

Colleges Scotland is Cyber Essentials certified which means the organisation is assessed annually against five basic security controls and a qualified assessor verifies the information provided.



IT Equipment

Below is an overview of the IT equipment. A detailed list can be viewed in the CS Asset list (see Key Documents section).

- Laptops
- Portable Laptop Stands
- Laptop Backpacks
- Docking stations
- Monitors
- Monitor stands
- Keyboards and mouse
- Mobile phones
- Headphones
- Printer/Photocopiers
- Video Conferencing equipment.

Office Equipment

An overview of office equipment is below:

- Desks and Chairs
- Stationery (paper, kitchen supplies, first aid etc)
- Hospitality supplies
- Coffee machines
- Storage cupboards
- Tables and chairs in conference wing.
- Within the staff kitchen (fridge freezer, microwave, toaster, kettle, plates, cups etc)

Accessing SharePoint Files and Email

All staff have a work laptop, work mobile telephone and have Microsoft Office 365 license. Only work devices (laptop and mobile) can access Colleges Scotland's files and emails. This provides another layer of security for the data.

If all the equipment in the server room was damaged, staff would be unable to work from the office but would still be able to access emails and SharePoint files as they are both hosted in the cloud. All that would be required is a Colleges Scotland device (laptop or mobile) and internet connection.

Video Conferencing

We have video conferencing equipment in the meeting rooms in the South Wing which use Microsoft Teams or Zoom. All staff have Microsoft Teams and Zoom on their work laptop and work mobile phone.

Communication

Should the Chief Executive Officer (or designated member of the SLT) decide to close the organisation's premises at Argyll Court, Stirling, due to a major disaster or pandemic, all staff will be informed by email and text message. During such a closure staff will be asked, where possible, to work from home.

If there is a cyber attack, staff will be contacted using the appropriate communication tool e.g. work mobile/email, personal telephone and informed on any action they need to take.

The Business Services Manager and the Corporate and Governance Manager will have all work contact details e.g. work mobile telephone numbers, work email addresses stored in their mobile telephone. The Business Services Manager/STEP HR will also have access to the Personal and Emergency Staff Contact Information (see Key Documents section).

Key Documents

Document	Location
Staff Personal and Emergency Contact Information	Breathe Portal
Business Continuity Plan	CS - Documents\CS - Corporate Services\Business Continuity Plan
Telephone List	CS - Documents\CS - Useful Information\Telephone List
Central Contacts Database	CentralContactsDB - Documents
Web Links	CS - Documents\CS - Web
CS Asset list	CS - Documents\CS - ICT\Asset
Video Conferencing Details	CS - Documents\CS - Useful Information\Video Conferencing
Business Insurance	CS - Documents\CS - Corporate Services\Insurance

Storage of Plan and Key Documents

This plan will be distributed to each member of the DRT to be printed and stored off-site. The electronic copy of the plan will be stored in SharePoint (see Key Documents section). The files listed in the Key Documents section will be copied on to a USB drive once a month by the Digital, ICT and Communications Officer and stored in the office safe.

Colleges Scotland
March 2026

APPENDIX 1: Potential Scenario Plans

A: Loss of Internet Connection in the Office

Trigger

Cannot access internet, email, video conferencing, shared drives for >30 minutes.

1. Immediate Actions

- Digital, ICT and Communications Officer to liaise with the internet service provider (Jisc) to identify and rectify the issue.
- Keep the IT provider updated.
- Line managers cascade updates and instructions to their direct reports.

2. Resumption

- Staff use work mobile data in the office if possible or work from home

3. Recovery

- Digital, ICT and Communications Officer monitors the internet service provider status.
- Full return to normal within 48 hours maximum.

B: Cyber-Hack (Ransomware, breach, or malware)

Trigger

Unusual system behaviour, ransom note, alert from IT provider, or notification from a staff member.

1. Immediate Actions

- Digital, ICT and Communications Officer isolates affected devices
- Notify ICT provider and activate "incident response" ticket. Ensure incident is contained, review scale of incident and eradicate the threat.
- Contact insurance provider if required
- Notify Scottish Information Commissioner's office within 72 hours if personal data affected

2. Resumption

- Change affected users passwords, or worst case scenario may need to rebuild environment and restore data from backup.
- Use work mobiles to contact each other.
- Once environment has been rebuild and backup restored can work on CS laptops again.

3. Recovery

- Forensic review by IT support provider
- Full incident report to SLT within 14 days of the end of the incident.

C: Sudden Loss of Office Facilities

Trigger

Office inaccessible (fire, flood, building collapse, etc)

1. Immediate Actions

- Ensure everyone is safe and accounted for including sub tenants.
- Activate full remote-working policy (as set out in staff handbook)
- Rearrange scheduled events/meetings due to take place in the office to online or move to another venue.

2. Resumption

- All staff work from home with laptops.
- Use mobile phones and Teams for calls.

3. Recovery

- Arrange temporary office (discussions with Alltmore and other neighbours such as Forth Valley College).
- Physical post redirected via Royal Mail to temporary office
- Assess damage with insurer.
- Keep sub tenants up-to-date
- Return to permanent premises or new location as soon as practical.

Proposed Amendments to the Articles of Association

Paper 7.3

FOISA Status	Non-Disclosable
Lead	Chief Executive Officer

Summary:

Colleges Scotland's Articles of Association were last updated at the 2025 AGM as part of the complete restructure of Colleges Scotland's governance.

This paper has been drawn up in consultation with legal advice from Thorntons, and presents the board with a draft revised version of the Articles to address five points.

1. Clear days

Article 22(a) - Thorntons were asked if the "fourteen clear days" notice of a General Meeting could be reduced. They advise that the Companies Act (2006) requires a minimum period of notice calculated by reference to clear days – and that this period is 14 clear days.

Therefore identifying the period of notice for General Meetings in another way that "clear days" or reducing it to less than 14 days would not meet the requirements of the Act.

Amendment: *No amendment suggested*

2. Definition of Independent Trustees

Article 49.6 - To clarify the definition of an independent Trustee Thorntons have suggested adding that Trustees may not be engaged by or remunerated by any Company Member of College, in addition to a restriction on being employed by them.

Amendment: *Addition of "engaged or remunerated"*

3. Independence of Chairperson

Article 49.7 - The current Articles place no restriction on who can Chair the Board. This amendment would ensure that the place is always filled by an independent Trustee.

Amendment: *Addition of "independent" and a reiteration of the definition from the amended 49.6.*

4. Interim Chairperson

Article 49.9 – The current Articles make no provision for circumstances in which an Interim Chair is needed.

Amendment: *A new Article has been drafted to specifically provide for appointment of an Interim Chairperson by the board. The Interim Chair can be appointed for such period as the board decide, but not exceeding 1 year (this ties in with the existing wording at Article 50.7 regarding the term of co-opted trustees, and reference to an Interim Chairperson has been made at this Article also). The Interim Chair need not be independent, but this can be amended depending on the board's preference.*

5. Term of Office

Articles 50.5-7 – With a view to catering for continuity on the Board and potentially differing periods of office, it is suggested amending Articles 50.5 and 50.6 to provide that when any Trustee or the Chairperson is reappointed for a further period, they are reappointed for a period of either 1 or 2 years, so that the end date of their period on the board is potentially staggered. It then becomes important to remember that a decision has to be made on this whenever a Trustee is reappointed, and a record kept of whether they are serving for a further year or two years. Another option which the Board could consider is whether terms of appointment should in fact be for 3 years, as this would allow for further flexibility in terms of office for either 1, 2 or 3 years on reappointment.

Amendment: *Adding “either one or two years” and reference to Interim Chair*

Recommendation:

The Board of Trustees is asked to:

- note the proposed amendments
- raise any points for discussion prior to further informal discussion at the 2026 AGM
- propose that they be put to the AGM in 2027 (unless an earlier EGM is required)

Colleges Scotland
March 2026

Scottish Charity Number: SC023848

Company No: SC143210

THE COMPANIES ACT 1985 TO 2006

COMPANY LIMITED BY GUARANTEE

AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

Of

COLLEGES SCOTLAND

(Adopted by Special Resolution on [])

INTERPRETATION

1

(a) In these Articles:

"1992 Act"	means the Further and Higher Education (Scotland) Act 1992;
"2005 Act"	means the Further and Higher Education (Scotland) Act 2005;
"2013 Act"	means the Post-16 Education (Scotland) Act 2013;
"AGM"	means annual general meeting;
"Articles"	means the Articles of Association of the Company;
" Associate Member"	means those bodies invited to become Associate Members of the Company pursuant to Article 12;
"Board of Trustees" or "Trustees"	means the board of Trustees of the Company for the time being of the Company and "Trustee" shall be construed accordingly, and each Trustee shall be a director for the purposes of the Companies

	Act and a trustee for the purpose of the Charities Act;
"Charities Act"	means the Charities and Trustee Investment (Scotland) Act 2005 including any statutory modification or re-enactment thereof for the time being in force;
"Chair"	means the chairperson of (but excluding any person who is for the time being an employee or student) of: (i) a Company Member; (ii) an Associate Member; (iii) an RSB; or (iv) a college assigned to any RSB or regional board under section 7C of the 2005 Act; or any other educational establishment the Trustees may determine from time to time;
"Chairs' Group"	means the forum of Chairs as constituted by the Company according to such terms of reference as the Trustees may determine from time to time;
"Chairperson"	means the chairperson of the Company appointed pursuant to Article 49.7;
"clear days"	means in relation to the period of a notice that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;
"Companies Act"	means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;
"the Company"	means Colleges Scotland (Company No. SC143210);
"Company Member"	means those organisations, undertakings or bodies admitted to membership of the Company in accordance with Articles 8 and 9;
"electronic communication" and "communication"	have the meanings given to them by the Electronic Communications Act 2000;

"Member"	means a Company Member or an Associate Member;
"Memorandum"	means the Memorandum of Association of the Company;
"Principal"	means the Principal or Chief Executive or Director or person of equivalent status or title in overall charge of operational matters of: (i) a Company Member; (ii) an Associate Member; (iii) an RSB; or (iv) a college assigned to any RSB or regional board under section 7C of the 2005 Act; or any other educational establishment the Trustees may determine from time to time;
"Principals' Group"	means the forum of Principals as constituted by the Company according to such terms of reference as the Trustees may determine from time to time; and
"RSB"	a body specified as a regional strategic body or regional board in Schedule 2A to the 2005 Act
"Secretary"	means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.

- (b) Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Companies Act.
- (c) Unless the contrary intention appears, expressions referring to writing shall be construed as including references to printing, photography and any other mode of representing or reproducing words in visible form; words importing the singular number only shall include the plural number and vice versa; words importing the masculine gender only shall include the feminine gender; and words importing persons shall include partnerships, associations and corporations.

OBJECTS

- 2 The objects for which the Company is established are to promote the advancement of college education for the public benefit.

POWERS

- 3 In furtherance of that object, but not otherwise, the Company shall have the following powers:-
- (1)
 - (i) to support education in, and to advance and promote the objectives of, Scotland's colleges and other institutions in the college education sector in Scotland ("colleges");
 - (ii) to provide information, advice and assistance to colleges in Scotland or any of their representatives on any aspect of their affairs;
 - (iii) to provide information concerning colleges in Scotland, their work, organisation and objectives, and the courses and facilities provided by them;
 - (iv) to provide a means of co-operation between the governing bodies of colleges;
 - (v) to formulate and promote policies on any matters affecting or relevant to the sector of college education in Scotland and deal with all matters ancillary or related thereto;
 - (vi) to provide a means of consultation between the chairpersons and governing bodies of colleges;
 - (vii) to provide a means of consultation between the Principals and Chairs of colleges;
 - (viii) to consider and offer observations on any proposals made by the Scottish or UK Governments and other agencies affecting colleges;
 - (ix) to consider and report on any matter which may be referred to the Company for consideration by the governing body of any college;
 - (x) to carry on any of the activities of advisors to colleges on employment law, custom and practice, health and safety at work, management organisation, planning and procedures, training of staff and employees, accounting practice and procedures, and all ancillary matters; to engage consultants and agents for the purpose of carrying on all or any of the foregoing activities; to make grants and other financial provision in aid of colleges which are engaged in or wish to engage in litigation which relates to salaries, terms and conditions of service, and cognate matters of employees, and to establish reserve funds and invest monies in order to facilitate the making of such grants and other financial provision; and generally to undertake and execute agencies and commissions of every description;
 - (xi) to provide a forum within which representatives of the colleges can discuss salaries and conditions of service for staff and employees of colleges and more generally within which colleges can establish a framework of industrial and employee relations for colleges, and in particular to provide through committees of the

Company or otherwise, as may be appropriate, for the support of such a forum, to act as an employer's association in conducting and concluding collective negotiations with trade unions recognised by Members, provided that no such provision or support shall extend to the regulation of relations between workers and employers which would in any way have the effect of making the Company a Trade Union;

- (xii) to represent the sector of college education in Scotland and to conduct dealings and to liaise with government, any local, national or other institutions, authorities, agencies, bodies or persons, wheresoever in the world situate, on matters affecting the operation of the sector, in particular the determination and distribution of resources;
 - (ii) to raise money from the Members by way of an annual levy or subscription, all such money to be disbursed in the pursuit of the objects of the Company;
 - (xiv) to provide secretarial services for committees, advisory groups and working groups established by the Company; and
 - (xv) to act as agent for any Member upon specific instructions from such Member.
- (2) To purchase, take on lease or on exchange, hire or otherwise acquire real or personal property and rights or privileges and to construct, maintain and alter buildings or erections.
 - (3) Subject to the provisions herein contained, to employ and pay officers and other persons or bodies whose services are required for carrying out any of the objects of the Company; and to make all reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of employees and their widows or widowers and immediate dependants.
 - (4) To act as a trustee and to undertake or accept any trusts or obligations which are charitable in accordance with the purposes of the Company and which may be lawfully undertaken by the Company.
 - (5) To invest and deal with the monies of the Company not immediately required for its purposes in or upon such investments, securities or property or otherwise as may be thought fit subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject as herein provided.
 - (6) Subject to such consents as may be required by law, to borrow or raise money in such manner and upon such terms as the Company shall think fit, and in particular upon the security by way of mortgage, charge, debenture or otherwise of all or any part of the property of the Company and to enter into interest rate management agreements of every kind and description as the Company shall think fit.

- (7) Subject to such consents as may be required by law, to sell, manage, develop, let, mortgage, or otherwise deal with or turn to account all or any part of the property, assets, rights and privileges of the Company.
- (8) To arrange and provide for or join in arranging and providing for the holding of conferences, training courses, exhibitions, meetings, lectures and classes.
- (9) To establish and support and aid in the establishment and support of any charitable associations or institutions and to subscribe or guarantee money for charitable purposes.
- (10) To solicit and procure by any lawful means and to take, accept and receive any subscription, annuity, gift of money, property or other assets whether subject to any special trust or not, for the objects of the Company.
- (11) To transfer or dispose of, with or without valuable consideration, any part of the property or funds of the Company not required for the purposes of the Company to any charitable body having objects similar to those of the Company.
- (12) To federate or amalgamate with, affiliate or become affiliated to any body having objects similar to those of the Company and which by its constitution prohibits the distribution of its income and property amongst its members to an extent at least as great as is imposed on the Company under or by virtue of Article 4 hereof and to acquire and undertake all or any part of the assets, liabilities and engagements of any such body, which the Company may lawfully acquire or undertake.
- (13) To establish, promote or assist in promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company, or for the purpose of carrying on all or any activities which the Company is authorised to carry on provided that such company or companies have objects similar to those of the Company.
- (14) To establish, promote or acquire companies (whether charitable or commercial) whose activities may further one or more of the objects of the Company, or may generate income to support the activities of the Company, acquire and hold shares in such companies, and carry out, in relation to such company which is a subsidiary of the Company, all such functions as may be associated with a holding company.
- (15) To conduct appeals for money or other gifts or for any other assistance for any of the purposes of the Company and to solicit and accept subscriptions and donations (whether of real or personal property) and legacies and bequests for any of the purposes of the Company.
- (16) To print and publish or procure to be printed and published, and to circulate or procure to be circulated (whether gratuitously or not) any newspaper, periodicals, magazines, books, pamphlets, leaflets or other documents on subjects which are within the objects of the Company.

- (17) Subject to Article 4 hereof to employ and pay architects, surveyors, solicitors and other professional persons, workmen, clerks and other staff for the purpose of fulfilling the objects of the Company.
- (18) To pay all or any expenses incurred in connection with the promotion of the Company.
- (19) To open and operate bank accounts and negotiate financial instruments of every kind and description.
- (20) To make donations to any other charitable body incorporated or unincorporated having objects similar to those of the Company.
- (21) To lend money and to grant or provide credit to any charitable body with similar objects on such terms as may be thought fit and with or without security.
- (22) To do all such other lawful things as are necessary for the attainment of the above objects or purposes.

This Article shall be interpreted as if it incorporated an over-riding qualification limiting the powers of the Company such that any activity which would otherwise be permitted by the terms of the article may be carried on only if that activity furthers a purpose which is regarded as charitable; the expression "charitable" shall mean a charitable purpose under section 7 of the Charities Act (including any statutory amendment or re-enactment for the time being in force) which is also regarded as a charitable purpose in relation to the application of the Taxes Acts. And throughout this Article:

- (a) the word "body" includes any association, institution or aggregate of persons, whether incorporated or unincorporated, and whether of a voluntary nature or otherwise and unless inconsistent with the context words importing the plural include the singular and vice versa; and
- (b) the words "charitable" and "charitable purposes" shall have the meaning ascribed to it for the purposes of the Charities Act, including any statutory amendment or re-enactment for the time being in force.

Provided that:

- (i) In case the Company shall take or hold any property which may be subject to any trusts the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.
- (ii) In case the Company shall take or hold any funds provided by or through the medium of a Crown or Government body the Company shall only deal with or invest the same in such manner as embodied from time to time in the appropriate grant conditions and financial memoranda.

- (iii) The objects of the Company shall not extend to the regulation of relations between workers and employers which would have the effect of making the Company a Trade Union.

INCOME AND PROPERTY

4 The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in these Articles and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to Members and no Member nor any of the members of the Trustees shall be appointed to any office of the Company paid by salary in money's worth from the Company provided that nothing herein shall prevent any payment in good faith by the Company:

- (i) of reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
- (ii) of interest on money lent by any Member or member of the Trustees of the Company at a rate not exceeding 2% less than the base lending rate prescribed for the time being by the bank appropriate to the Company or 3% whichever is the greater;
- (iii) of reasonable and proper rent for premises demised or let by any Member or member of the Trustees of the Company;
- (iv) of fees, remuneration or other benefit in money or money's worth to a company of which a Member or member of the Trustees of the Company may be a member for any services rendered to the Company;
- (v) to any Company Member or member of the Trustees of the Company of reasonable out of pocket expenses;
- (vi) of premiums for the insurance of any member of the Trustees or officer of the Company against any liability as permitted by these Articles;
- (vii) to any Member receiving a benefit from the Company in the capacity of a beneficiary of the charity;
- (viii) to any Member by loan whether secured or otherwise.

LIABILITY OF MEMBERS

5 The liability of the Members is limited.

6 Every Member undertakes to contribute to the assets of the Company in the event of the same being wound up during the time that they are a Member or within one year afterwards, for payment of the debts and liabilities of the Company contracted before the time at which they cease to be a Member, and of the costs, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding £1.

WINDING-UP

- 7 If upon the winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall be paid to or distributed among the Company Members in such proportions as may be mutually agreed by them PROVIDED THAT any Company Member which is not at the date of winding-up or dissolution of the Company entitled to relief under Section 7 of the Charities Act or any amendment thereof shall not receive any payment or distribution on winding-up or dissolution. If none of the Company Members as at the date of winding-up or dissolution of the Company are entitled to relief under Section 7 of the Charities Act or any amendment thereof then any property that remains after the satisfaction of all debts and liabilities shall be given or transferred to some other charitable institution or institutions having objects similar to the objects of the Company and which shall prohibit the distribution of its or their income and property to an extent at least as great as imposed on the Company under or by virtue of Article 4 hereof, such institution or institutions to be determined by the Company Members with the consent of the Scottish Ministers at or before the time of dissolution, and if and so far as effect cannot be given to such provision, then to some other charitable object. In this Article, the word "charitable" shall have the meaning ascribed to it for the purposes of the Charities Act, including any statutory amendment or re-enactment for the time being in force.

COMPANY MEMBERS

- 8 Subject to article 10 the following bodies are eligible to become Company Members of the Company:
- 8.1 a regional college designated as such under section 7A of the 1992 Act;
 - 8.2 a body specified as an RSB ;
 - 8.3 a college which has a board of management incorporated under the 1992 Act and which is not designated as regional college under section 7A of the 2005 Act or assigned to an RSB ;
 - 8.4 Any other educational establishment the Trustees may determine from time to time;
- 9
- (a) The application of a person for membership shall be in writing in the form set down by the Trustees and shall be signed by the applicant and delivered to the Secretary at the registered office of the Company.
 - (b) The Secretary shall place the application before the Board at the next meeting thereof to be held after receipt of the application.
 - (c) No person shall become a Company Member unless its admittance has been approved by the Trustees and it is eligible to be a member under Article 8.

- (d) The Board of Trustees may in its absolute discretion and without assigning any reason therefore, admit or refuse any applicant's request, and shall not be bound to assign any reason for refusing to admit any person to membership of the Company.
 - (e) The Secretary shall within seven days of the decision of the Board of Trustees notify in writing the decision to the applicant and if the decision is to admit it as a Company Member shall enter the name of that person in the Register of Members of the Company whereupon that person shall become a Company Member. Upon becoming a Company Member that person shall become liable for payment to the Company of such annual levy or subscription as the Trustees may determine.
 - (f) In each year the Trustees shall fix the subscription or subscriptions to be paid by each Company Member. The Trustees may fix a different level of subscription for each Company Member provided it does so on the basis of fair and transparent criteria. The Trustees may fix a deadline in each year by which subscription monies must be paid by Company Members, and in the event of failure by any Company Member to make payment by such deadline, the Trustees may suspend such Company Member's access to such of the services, facilities and forums provided or established by the Company as the Trustees consider appropriate until such time as payment is made in full.
- 10 A Company Member shall cease to be a Company Member upon:
- (a) the Board of Trustees resolving that it has failed to meet the eligibility criteria set out in Article 8; or
 - (b) a resolution being passed at a meeting of the Trustees removing it as a Company Member; provided that such resolution is passed by not less than three-fourths of the Board present at a meeting called for the purposes of which such Company Member shall have been given not less than fourteen days' notice in writing and at which it shall have been given the right to attend and to be heard; or
 - (c) its passing a resolution to wind up or having a winding up petition presented against it or a receiver being appointed in respect of any of its assets; or
 - (d) it being assigned to an RSB.
- 11 Membership of the Company shall not be transferable and a Company Member is not able to resign as such without: (i) providing not less than 12 months' prior written notice to the Trustees of their intention to do so; and (ii) the prior consent of the Trustees.

ASSOCIATE MEMBERS

- 12 The Trustees may invite any institution or body which does not fulfil the eligibility criteria in Article 8 to become an "Associate Member" and on acceptance that institution or body shall be admitted to membership.

- 13 Upon becoming an Associate Member that member shall become liable for payment to the Company of such annual levy or subscription as the Trustees may determine. In each year the Trustees shall fix the subscription or subscriptions to be paid by each Associate Member, and the provisions of Article 9(f) shall apply to any annual subscription or levy payable by an Associate Member in terms of this Article 13.
- 14 At the date of adoption of these Articles the following shall be deemed to be Associate Members:
- 14.1 Sabhal Mor Ostaig
- Newbattle Abbey College
- Scotland's Rural College
- 15 An Associate Member shall cease to be an Associate Member upon:
- 15.1 its name being removed from the Register of Members of the Company, following the receipt by the Company of at least 90 days' notice in writing, intimating that it resigns as an Associate Member such notice to be accompanied by a certified true copy of the resolution of the governing body of that Associate Member resolving to withdraw; or
- 15.2 a resolution being passed at a meeting of the Board of Trustees removing it as an Associate Member; provided that such resolution is passed by not less than three-fourths of the Board of Trustees present at a meeting called for the purposes of which such an Associate Member shall have been given not less than fourteen days' notice in writing and at which it shall have been given the right to attend and to be heard; or
- 16 its passing a resolution to wind up or having a winding up petition presented against it or a receiver being appointed in respect of any of its assets.
- 17 Associate Members shall have the same rights under these Articles as Company Members except that Associate Members shall have no right to vote; no right to convene a meeting under Article 21 or the provisions of the Companies Act; no right to participate in the distribution of any assets on a winding-up; and no right to nominate or vote upon a person becoming a director of the Company.
- 18 Associate Membership of the Company shall not be transferable.

GENERAL MEETINGS

- 19 The Company shall hold a general meeting in every calendar year as its AGM in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one AGM of the Company and the next, provided that the Company holds its first AGM within eighteen months of its incorporation. The AGM shall be held at such time and place as the Trustees shall determine.
- 20 All general meetings, other than AGMs, shall be called general meetings.

- 21 The Board of Trustees may, whenever it thinks fit, convene a general meeting. A general meeting shall also be convened by the Trustees after receipt of a requisition from Company Members, pursuant to the provisions of the Companies Act. If at any time there are not within the United Kingdom sufficient Trustees capable of acting to form a quorum, any Trustee or any two Company Members may convene a general meeting in the same manner as nearly as possible to that in which meetings may be convened by the Trustees.

NOTICE OF GENERAL MEETINGS

22

- (a) An AGM and general meeting shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
- (i) in the case of an AGM, by all Company Members entitled to attend and vote thereat; and
 - (ii) in the case of any other meeting by a majority in number of the Company Members having a right to attend and vote being a majority together holding not less than ninety per cent of the total voting rights at the meeting of all the Company Members.
- (b) The notice shall specify the time, date and place of the meeting and the general nature of the business to be transacted and, in the case of an AGM, shall specify the meeting as such.
- (c) The notice shall be given to all the Company Members, Associate Members, the Trustees and to the Auditors.

- 23 The accidental omission to give notice of a meeting to, or the non-receipt of notice by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

- 24 In exceptional circumstances (for example to deal with extreme adverse weather conditions), the Trustees may postpone an AGM or general meeting by notice in writing to Company Members and Associate Members (which will be valid if issued before the date of the scheduled meeting) to a later date specified in such notice. The postponed meeting shall be deemed to be a properly called meeting of which valid notice has been given and the original notice as to business to be transacted shall remain valid.

PROCEEDINGS AT GENERAL MEETINGS

- 25 No business shall be transacted at any general meeting unless a quorum of Company Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided one third of the persons entitled to vote upon the business to be transacted, each being a Company Member or a proxy for a Company Member or a duly authorised representative of a Company Member, shall be a quorum, or if at the time the total number of Company Members is not a multiple

of three, the quorum shall be determined by dividing the number of Company Members by three and rounding up to the nearest whole number.

- 26 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Board of Trustees may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned to such time and place as the Trustees may determine. If the meeting has been convened upon the requisition of Members, and no quorum is present within half an hour from the time appointed for the meeting, then the meeting shall be dissolved.
- 27 The Chairperson of the Board of Trustees or, in their absence, some other Trustee nominated by the Trustees shall preside as chair of the meeting but, if neither the Chairperson nor such other Trustee is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Trustees present shall elect one of their number to be Chairperson and, if there is only one Trustee present and willing to act, he/she shall be Chairperson.
- 28 If no Trustee is willing to act as Chairperson, or if no Trustee is present within fifteen minutes after the time appointed for holding the meeting, the Company Members present and entitled to vote shall choose one of their number to be Chairperson.
- 29 A Trustee shall be entitled to attend and speak at any general meeting.
- 30 The Chairperson may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business, shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall not be necessary to give any such notice of an adjournment or of the business to be transacted at any adjourned meeting.
- 31 A resolution put to the vote of any general meeting shall be decided on a show of hands of Company Members, unless a poll is, before or upon the declaration of the result of a show of hands, duly demanded. Subject to the provisions of these Articles, a poll may be demanded:
- (a) by the Chairperson; or
 - (b) by at least two Company Members having the right to vote at the meeting present in person or by proxy; or
 - (c) by a Company Member or Company Members present in person and representing not less than one-tenth of the total voting rights of all the Company Members

and a demand by a representative on behalf of a Company Member or by a person as proxy for a Company Member shall be the same as a demand by the Company Member.

- 32 Unless a poll is duly demanded, a declaration by the Chairperson of the meeting that a resolution has been carried or lost and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 33 The demand for a poll may, before the poll is taken, be withdrawn, but only with the consent of the Chairperson, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 34 If a poll is duly demanded it shall be taken in such manner as the Chairperson directs. The result of the poll which shall be declared at such time and place as the Chairperson may direct, shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 35 In the case of an equality of votes, whether on a show of hands or on a poll the Chairperson shall not be entitled to a casting vote in addition to any other vote he/she may have.
- 36 A poll demanded on the election of a Chairperson of a meeting, or any question of adjournment shall be taken forthwith.
- 37 A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairperson directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 38 No notice needs to be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

VOTES OF COMPANY MEMBERS

- 39 On a show of hands every Company Member shall have one vote, which may be given either via its duly authorised representative at the meeting or by proxy. On a poll, Company Members represented by proxy or by duly authorised representative shall have one vote. A Company Member so represented is deemed present in person at such meeting.
- 40 With regard to the instrument appointing a proxy, if the appointer is a corporation or other organisation, it must be signed on its behalf by a duly authorised officer.
- 41 Any corporation or other organisation which is a Company Member may nominate in writing such person as it thinks fit to act as its representative at any meeting of the Company. The person so

authorised shall be entitled to exercise the same powers on behalf of the body which they represent as that body could exercise if it were an individual Company Member. Such body shall for the purposes of these presents be deemed to be present in person at any such meeting if the person so authorised is present thereat.

42 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid and counted. Any objection made in due time shall be referred to the Chairperson, whose decision shall be final and conclusive.

43 An instrument appointing a proxy shall be in writing, in a form determined by the Trustees.

44 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a copy of such authority certified notarially or in some other way approved by the Trustees may:

(a) be deposited at the Company's registered office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of an appointment contained in an electronic communication where an address has been specified for the purpose of receiving electronic communication:

(i) in the notice convening the meeting; or

(ii) in any instrument of proxy sent out by the Company in relation to the meeting; or

(iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to that meeting;

be received at such address not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

(c) in the case of a poll taken more than forty eight hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty four hours before the time appointed for the taking of the poll; or

(d) where the poll is not taken forthwith but is taken not more than forty eight hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairperson or to the Secretary or to any Trustee;

and an instrument of proxy which is not deposited or delivered or received in a manner so permitted shall be invalid. In this regulation "address" in relation to electronic communications includes any

number or address used for the purpose of such communications. In calculating periods mentioned in this Article 44 no account shall be taken of any part of a day that is not a working day.

- 45 The instrument appointing a proxy shall confer authority to demand or join in demanding a poll.
- 46 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice of the determination was received by the Company at its registered office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

BOARD MEMBERS

- 47 The number of Trustees shall not be more than ten and shall not be less than three.
- 48 No Trustee shall vacate their office or be ineligible for re-appointment as a Trustee nor shall any person be ineligible for appointment as a Trustee by reason only of their having attained any particular age.

APPOINTMENT AND RETIREMENT OF BOARD MEMBERS

COMPOSITION

- 49 The Board of Trustees shall consist of up to ten Trustees appointed (or deemed appointed) as follows:
- 49.1 the Chair of the Principals' Group shall be a Trustee;
- 49.2 one other person who is a Principal shall be a Trustee (nominated in accordance with such rules of appointment and processes as the Board of Trustees may prescribe from time to time to effect such appointment);
- 49.3 the Chair of the Chairs' Group shall be a Trustee;
- 49.4 one person who is a Chair shall be a Trustee (nominated in accordance with such rules of appointment and processes as the Board of Trustees may prescribe from time to time to effect such appointment);
- 49.5 the Chief Executive appointed under Article 71 shall be a Trustee;
- 49.6 up to four independent individuals (not being employed, engaged or remunerated by any Company Member, Associate Member or college assigned to any RSB) shall be Trustees;

49.7 one independent individual (not being employed, engaged or remunerated by any Company Member, Associate Member or college assigned to any RSB) shall be appointed as a Trustee and as Chairperson of the Board of Trustees, in accordance with such rules of appointment and processes as the Board of Trustees may prescribe from time to time to effect such appointment; ~~and~~

~~49.8~~ in circumstances where there are vacancies under any of the foregoing Articles 49.1 to 49.76 (inclusive) then the Trustees may co-opt such number of individuals to be directors ("**Co-opted Directors**") on such terms as the Board of Trustees thinks fit provided that the total number of directors does not exceed ten; ~~and~~

~~49.8~~~~49.9~~ in circumstances where there is a vacancy in the office of Chairperson of the Board of Trustees under Articles 49.7 then the Trustees may appoint any individual (whether independent of any Company Member, Associate Member or college assigned to any RSB or otherwise) to hold office as Interim Chairperson and to exercise all powers and functions of the Chairperson on such terms and for such period (subject to Article 50.7) as the Board of Trustees thinks fit.

TERM OF OFFICE

50 Subject to Article 51:

50.1 the Chair of the Principals' Group shall hold office as a Trustee until their term of service as Chair of the Principals' Group comes to an end (according to such terms of reference, rules or procedures as may be adopted and applicable to the Principals' Group with approval of the Trustees from time to time);

50.2 the Chair of the Chairs' Group shall hold office as a Trustee until their term of service as Chair of the Chairs' Group comes to an end (according to such terms of reference, rules or procedures as may be adopted and applicable to the Chairs' Group with approval of the Trustees from time to time);

50.3 the individuals nominated by the Trustees pursuant to Articles 49.2 and 49.4 respectively shall hold office for a period of two years from the date of their nomination as a Trustee, and shall be eligible for nomination for a single further period of up to two years at the discretion of the Trustees;

50.4 the Chief Executive shall hold office until their cessation of employment as Chief Executive;

50.5 each individual appointed as an independent Trustee pursuant to Article 49.6 shall hold office for a period of two years, and shall be eligible for reappointment for a single further period of ~~up to either~~ one or two years at the discretion of the Trustees;

50.6 the individual appointed as Chairperson pursuant to Article 49.7 shall hold office for a period of two years, and shall be eligible for reappointment for a single further period of ~~up to either one or~~ two years at the discretion of the Trustees; and

- 50.7 Co-opted Directors and any Interim Chairperson shall only hold office for so long as the vacancy they were appointed to fill remains vacant or for a maximum period of one year (if the vacancy remains outstanding).

DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS

- 51 The office of a Trustee shall be automatically vacated if:
- (a) they cease to be a Trustee by virtue of any provision of the Companies Act or they shall become prohibited by law from being a Trustee; or
 - (b) they cease to be a trustee under the terms of the Charities Act; or
 - (c) that Trustee, in the reasonable opinion of the Trustees, commits a serious breach or a series of persistent breaches of the Companies Act or the Charities Act or any obligation to the Company and the Trustees resolve that their office is vacated; or
 - (d) that Trustee, in the reasonable opinion of the Trustees, commits any act of fraud or dishonesty or has acted or behaved in any manner which brings or is likely to bring the Company into disrepute or is materially adverse to the interests of the Company and the Trustees resolve that their office is vacated; or
 - (e) they become bankrupt or apparently insolvent, be sequestrated or have a receiving order made against them, or grant a trust deed for the benefit of their creditors, or shall compound with their creditors generally or
 - (f) they are, or may be, incapacitated by mental disorder or physical illness; or
 - (g) they resigns their office by notice left at the Company's registered office; or
 - (h) they have been absent without reasonable cause or permission of the Trustees from three successive meetings of the Trustees and the Trustees resolve that their office be vacated; or
 - (i) they become unable or unfit otherwise to discharge their functions as a Trustee; or
 - (j) being a Trustee appointed pursuant to any one of Articles 49.1 to 49.4 (inclusive), they cease to be employed by a Company Member or hold the position they did within a Company Member as they did on appointment as a Trustee; or
 - (k) being a Trustee appointed pursuant to any one of Articles 49.1 to 49.4 (inclusive), they are nominated to the position of Trustee and that nomination is withdrawn;
 - (l) they are appointed pursuant to Article 71, on the date of cessation of employment as Chief Executive; or

(m) their term of office expires.

- 52 The Company may by Ordinary Resolution of which special notice has been given in accordance with section 168 of the Companies Act, remove any Trustee before the expiration of their period of office notwithstanding anything in these Articles or in any agreement between the Company and such Trustee.

POWERS OF THE BOARD

- 53 Subject to the provisions of the Companies Act, the Charities Act, the Memorandum and these Articles and to any directions given by Special Resolution, the business of the Company shall be managed by the Trustees, who may exercise all the powers of the Company. No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Trustees which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Trustees by these Articles and a meeting of the Trustees at which a quorum is present may exercise all powers exercisable by the Trustees.
- 54 The Trustees shall have power from time to time to adopt and make, alter or revoke, bye-laws for the regulation of the Company and otherwise for the furtherance of the purposes for which the Company is established, provided that such bye-laws are not contrary to the wording and/or spirit of the Memorandum or these Articles or contrary to the Companies Act, the Charities Act or other regulations or guidelines concerning the Company. All such bye-laws for the time being in force shall be binding upon all Members until the same shall cease to have effect. No Member shall be absolved from any such bye-laws by reason of their not having received a copy of the same, or of any alterations or additions thereto, or having otherwise no notice of them.

DELEGATION OF BOARD MEMBERS' POWERS

- 55 The Trustees may delegate any of their powers to any committee consisting of two or more Trustees. Any such delegation may be made subject to any conditions the Trustees may impose, and either collaterally with or to the exclusion of their own powers, and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more Trustees shall be governed by these Articles regulating the proceedings of the Board of Trustees, so far as they are capable of applying save that the Trustees may determine the quorum for meetings of any committee. All acts and proceedings of any such committee shall be reported to the Trustees as soon as possible.
- 56 The Trustees may determine from time to time the membership of any committee of the Board of Trustees. The members of any committee may be chosen from amongst the Trustees together with such other persons as may be co-opted to serve on any such committee as the Trustees may decide. Upon establishing a committee the Trustees shall determine whether co-opted members shall have the right to vote and whether they shall be counted towards the quorum. The duration of membership of a committee member shall be specified in the letter of appointment of such a member. The Board of Trustees has discretion to terminate the membership of any committee member. No committee

member shall be entitled to remuneration in respect of their position as such a member, but shall be entitled to be paid all travelling and other expenses properly incurred by them in carrying out their duties as a member of any committee.

REMUNERATION OF BOARD MEMBERS

57 The Trustees may be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the directors, at general meetings or otherwise in connection with the discharge of their duties, but shall otherwise be paid no remuneration (except in respect of the Chief Executive who shall be paid remuneration subject to Chapter Nine of the Charities Act).

BOARD MEMBERS' CONFLICTS OF INTERESTS

58

58.1 The Trustees may, in accordance with the requirements set out in this Article 58, authorise any matter proposed to them by any Trustee which would, if not authorised, involve a Trustee breaching their duty under section 175 of the Companies Act to avoid conflicts of interest ("Conflict").

58.2 Any authorisation under this Article 58 will be effective only if:

- (a) the matter in question shall have been proposed by any Trustee for consideration at a meeting of the Trustees in the same way that any other matter may be proposed to the Trustees under the provisions of these Articles or in such other manner as the Trustees may determine;
- (b) any requirement as to the quorum at the meeting of the Trustees at which the matter is considered is met without counting the Trustee in question; and
- (c) the matter was agreed to without them voting or would have been agreed to if their vote had not been counted.

58.3 Any authorisation of a matter under this Article 58 may (whether at the time of giving the authority or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the Trustees may determine;
- (c) be terminated or varied by the Trustees at any time.

This will not affect anything done by the Trustee prior to such termination or variation in accordance with the terms of the authorisation.

58.4 In authorising a Conflict the Trustees may decide (whether at the time of giving the authority or subsequently) that if a Trustee has obtained any information through their involvement in the Conflict otherwise than as a Trustee of the Company and in respect of which they owe a duty of confidentiality to another person the Trustee is under no obligation to:

- (a) disclose such information to the Board of Trustees or to any Trustee or other officer or employee of the Company;
- (b) use or apply any such information in performing their duties as a Trustee;

where to do so would amount to a breach of that confidence.

58.5 Where the Trustees authorise a Conflict pursuant to this Article 58, the Trustee shall:

- (a) be excluded from discussions (whether at meetings of the Trustees or otherwise) related to the Conflict;
- (b) not be given any documents or other information relating to the Conflict;
- (c) not vote (or be counted in the quorum) at any future meeting of the Trustees in relation to any resolution relating to the Conflict.

58.6 Where the Trustees authorise a Conflict:

- (a) the Trustee will be obliged to conduct themselves in accordance with any terms imposed by the Trustees in relation to the Conflict;
- (b) the Trustee will not infringe any duty they owe to the Company by virtue of sections 171 to 177 of the Companies Act provided they act in accordance with such terms, limits and conditions (if any) as the Trustees impose in respect of its authorisation.

59 A Trustee is not required, by reason of being a Trustee (or because of the fiduciary relationship established by reason of being a Trustee), to account to the Company for any remuneration, profit or other benefit which they derive from or in connection with a relationship involving a Conflict which has been authorised by the Trustees or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

BOARD MEMBERS' DECLARATION OF INTERESTS

60

60.1 A Trustee who is in any way, whether directly or indirectly interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of their interest to the other Trustees before the Company enters into the transaction or arrangement in accordance with the Companies Act.

- 60.2 A Trustee who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of their interest to the other Trustees as soon as is reasonably practicable in accordance with the Companies Act, unless the interest has already been declared under Article 60.1.
- 60.3 A Trustee shall not be entitled to vote in respect of any proposed or existing transaction or arrangement with the Company in which they are interested and if they shall do so their vote shall not be counted and they shall be not taken into account in ascertaining whether a quorum is present.
- 60.4 A Trustee need not declare an interest under Article 60.1 and Article 60.2 as the case may be:
- 60.5 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- 60.6 of which the Trustee is not aware, although for this purpose a Trustee is treated as being aware of matters of which they ought reasonably to be aware;
- 60.7 if, or to the extent that, the other Trustees are already aware of it, and for this purpose the other Trustees are treated as aware of anything of which they ought reasonably to be aware; or
- 60.8 if, or to the extent that, it concerns the terms of their service contract that have been, or are to be, considered at a meeting of the Trustees.
- 60.9 Notwithstanding any provisions in these Articles to the contrary, a Trustee may vote as a Trustee concerning any proposed insurance which the Company is empowered to purchase or maintain for or for the benefit of the Trustees or any of them or any group of persons which includes the Trustees or any of them, and if they shall so vote, their vote shall be counted and they shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration.

PROCEEDINGS OF THE BOARD MEMBERS

- 61 Subject to the provisions of these Articles and the Charities Act, the Trustees may regulate their proceedings as they think fit. Any Trustee shall be entitled to call a meeting of the Trustees. In addition, the Chief Executive or the Secretary shall call a meeting of the Trustees if so requested by either any Trustee or any two Company Members. A Trustee who is absent from the United Kingdom, shall only be entitled to notice of a meeting at their address in the United Kingdom. The Trustees shall meet at least four times in each year.
- 62 The quorum for the transaction of the business of the Board of Trustees may be fixed by the Trustees and unless so fixed at any other number shall be two thirds of all Trustees, or if at the time the total number of Trustees is not a multiple of three, the quorum shall be determined by dividing the number of Trustees by three and rounding up to the nearest whole number. Subject to the provisions of these Articles all questions arising at a meeting of the Trustees shall be decided by a majority of votes. In the case of an equality of votes the Chairperson shall not have the casting vote.

- 63 Subject to the provisions of these Articles a Trustee may participate in a meeting of the Trustees or a committee of Trustees by means of a conference telephone or similar communications equipment whereby all the Trustees participating in the meeting can hear each other and the Trustees participating in a meeting in this manner shall be deemed to be present in person at such meeting.
- 64 The continuing Trustees or a sole continuing Trustee may act notwithstanding any vacancies in their number, but, if the number of Trustees is less than the minimum number fixed pursuant to Article 47, the continuing Trustee or Trustees may act only for the purpose of filling vacancies or of calling a general meeting or of admitting persons to membership of the Board of Trustees.
- 65 All acts bona fide done by a meeting of the Trustees, or of a committee of Trustees, or by a person acting as a Trustee shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Trustee or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Trustee and had been entitled to vote.
- 66 A resolution in writing consented to and signed by a majority of Trustees entitled to receive notice of a meeting of the Trustees or of a committee of Trustees shall be as valid and effectual as if it had been passed at a meeting of the Trustees or (as the case may be) a committee of Trustees duly convened and held and may consist of several documents in the like form each consented to and signed by one or more Trustees, which consent and signature may be evidenced by letter, telex, cable, electronic mail, facsimile or otherwise as the Trustees may from time to time resolve to permit. Electronic mail from a Trustee confirming consent shall be sufficient for the foregoing purposes notwithstanding the absence of a handwritten signature.
- 67 The Company may by Ordinary Resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a Trustee from voting at a meeting of the Trustees or of a committee of Trustees.
- 68 Where proposals are under consideration concerning the appointment of two or more Trustees to offices or employment with the Company or any body corporate in which the Company is interested, the proposals shall be divided and considered in relation to each Trustee separately and (provided they are not for another reason precluded from voting) each of the Trustees concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning their own appointment.
- 69 If a question arises at a meeting of the Trustees or of a committee of Trustees as to the right of a Trustee to vote, the question may, before the conclusion of the meeting, be referred to the Chairperson and their ruling in relation to any Trustee other than themselves shall be final and conclusive.
- 70 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise

executed, as the case may be, in such manner as the Trustees shall from time to time by resolution determine.

CHIEF EXECUTIVE

71 The Trustees may from time to time appoint a person to the office of Chief Executive for such period and on such terms and at such remuneration as it thinks fit, and the Trustees may delegate such powers to the Chief Executive as it deems appropriate. Subject to the terms of any agreement entered into in any particular case it may revoke such appointment. Subject to Article 51 (Disqualification and Removal), The Chief Executive by virtue of their appointment, shall be a member of the Trustees and as such shall have, except as restricted by these Articles, equal status with all other Trustees. The Company may enter into an agreement or arrangement with the Chief Executive for their employment by the Company or for the provision by them of any services outside the scope of the ordinary duties of a director. Subject to the provisions of Chapter Nine of the Charities Act, any such appointment, agreement or arrangement may be made upon such terms as the Board of Trustees determines and they may remunerate the Chief Executive for their services as it thinks fit.

SECRETARY

72 Subject to the provisions of the Companies Act, a Secretary may be appointed by the Trustees for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by them.

MINUTES

73 The Trustees shall cause minutes to be made in the books kept for the purpose of all appointment of officers of the Company and of senior employees; and of all proceedings at meetings of the Company and of the Trustees and of any Committees, including the names of all present at each meeting thereof.

ACCOUNTS

74 The Trustees shall cause accounting records to be kept in accordance with the Companies Act. Such records shall, subject as provided in the Companies Act, be kept at the registered office of the Company or at such other place as the Trustees think fit and shall at all times be open to inspection by any of the Trustees. The Trustees shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and statutory books of the Company or any of them shall be open to the inspection of the Company Members. No Company Member shall have any right of inspecting any accounting records or other books or documents of the Company except as conferred by statute or authorised by the Trustees or by Ordinary Resolution of the Company.

AUDIT

- 75 Auditors shall be appointed and their rights and duties regulated in accordance with the Companies Act.
- 76 True accounts shall be kept of the sum of money received and expended by the Company, the matters in respect of which such receipts and expenditure take place and of the property, assets and liabilities of the Company. Once at least in every calendar year the accounts of the Company shall be examined and the correctness of the balance sheet ascertained by the Auditors appointed under the preceding Article.

NOTICES

- 77 Any notice to be given to or by any person pursuant to these Articles shall be in writing including a notice calling a meeting of the Trustees and/or shall be given using electronic communications to an address notified for that purpose to the person giving the notice. For these purposes and the purposes of the following Article, "address" in relation to electronic communications, includes any number or address used for the purposes of such communications.
- 78 The Company may give any notice to or issue or send any communication or document to a Member or to their representative either personally or by sending it by post in a prepaid envelope addressed to the Member or to their representative at their registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the Company by the Member. A Member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to them or an address to which notices may be sent using electronic communication shall be entitled to have notices given to them at that address, but otherwise no such Member shall be entitled to receive any notice from the Company.
- 79 A Company Member present, either in person via an authorised representative or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 80 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of forty-eight hours after the envelope containing it was posted or in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.
- 81 A notice may be served by any Member upon the Company either by leaving it at the Company's registered office or by sending it through the post in a pre-paid letter addressed to the Company at its registered office.
- 82 Subject to any rule of law, a notice shall be deemed to be fully served or given if it is transmitted by post or electronic mail.

INDEMNITY

83 Subject to the provisions of the Companies Act and the Charities Act, but without prejudice to any indemnity to which a Trustee may otherwise be entitled, every Trustee or other Officer of the Company shall be indemnified out of the assets of the Company against any liability, incurred by them as a director or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgement is given in their favour or in which they are acquitted or in which the charge is found not proven or in connection with any application in which relief is granted by them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

The directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of the Company including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in connection with their duties, powers or offices in relation to the Company.

College Employers Scotland Funding Update

Paper 8.1

FOISA Status	Non-Disclosable
Lead	Director, College Employers Scotland

Background

Colleges Scotland, as an organisation, is currently funded through two main income streams:

- **£893K** - Membership subscriptions from individual colleges and the one remaining Regional Strategic Body (RSB) for the communications and advocacy work (under Colleges Scotland)
- **£996K** - A Letter of Grant from the SFC for National Bargaining activities (under College Employers Scotland)

In June 2025 the Scottish Funding Council (SFC) agreed to renew its funding of College Employers Scotland (CES), for Academic Year (AY) 2025-26 to fund activities to support National Bargaining (Letter of Grant in **Appendix 1**).

As part of the Letter of Grant award, SFC noted the importance of supporting the national collective bargaining process, and that it remains supportive of CES. Nonetheless, the arrangement to fund CES directly via Strategic Funds was considered an interim solution.

AY 2025-26 was due to be the final year of funding from Strategic Funds, providing CES the period to 31 July 2026 ahead of implementing an alternative funding for CES methodology directly with colleges. For AY 2026-27, SFC intended to include the £996,000 for CES in college funding allocations, so that member colleges could fund CES directly.

CES was advised at its September and October 2025 meetings that a paper outlining the proposals from SFC would be shared with CES for full consideration, however due to workload pressures at the SFC a paper was not forthcoming.

Current SFC Position

Following discussions with the CEO of Colleges Scotland and the Director of CES on Monday 23 February 2026, the SFC has confirmed they still support the activities of CES but want to create a direct link between colleges and CES through a subscription model. However, they are keen to work pragmatically with CES in moving towards a new funding model, so have adapted their timescales.

SFC Funding Proposal

AY 2026/27 Funding

- Recognising the upcoming EIS-FELA and CES negotiations, as well as the time required to communicate the changes to member colleges and collectively determine appropriate allocations for member colleges, the SFC is content to provide the £996k grant directly to CES for National Bargaining activities for the upcoming year. However, it is intended that this will be the final year CES is directly funded by the SFC.

AY 2027/28 Funding

- Ahead of AY 2027-28, CES will work with the SFC to develop a proposed allocation formula for existing CES funding of £996k that will then be distributed to member colleges. This proposal will

be brought to the Autumn 2026 CES meetings, and if agreed by colleges, this funding will be distributed to colleges as part of their 2027-28 allocation. When the funding is made available from SFC it will highlight the separate allocation that is being made to support CES activities.

AY 2028/29 Funding

- Moving to AY 2028-29, the SFC has communicated that money previously allocated for CES and National Bargaining would be rolled into colleges allocations. There would be no separate budget lines for CES/National Bargaining in any individual college allocation.

CES Response

At the CES meeting that took place on 6 March it was agreed by colleges that:

- that SFC should continue to fund CES directly for AY 2026/27 on behalf of member colleges
- that the Director of CES will write to SFC to confirm this position and emphasise the importance of maintaining a clear allocation for CES activity within future funding arrangements
- that a paper on the proposed future funding model and allocation approach will be brought to a future CES meeting

Following approval by CES, the Director confirmed the CES position with the SFC and asked to meet to begin discussion on a future funding formula for the year 27/28.

Impact on Colleges Scotland Finances

This issue is being brought to the attention of Colleges Scotland Trustees as the proposed change from a Letter of Grant model to a subscription model would impact the CES income stream for Colleges Scotland as a whole.

It is envisaged that having two separate levels of member subscriptions, rather than one subscription and one Letter of Grant, will add to the complexity of invoicing members and has the potential to cause cashflow issues at the start of an Academic Year, if member colleges are late in their payments of one or both of their subscriptions.

The Director of CES has asked SFC about flexibilities for 26-27 and 27-28 to seek to offset some of these risks. Currently, CES returns any underspend from the Letter of Grant to the SFC. However, as it transitions to a new funding model in the coming years, the Director has asked the SFC to discuss flexibilities that might be available in retaining any underspend in the years 25-26 and 26-27 in order to help build the organisation's reserves to allow it to weather potential financial instability at the start of the 27-28 year.

For example, there was a £43,665 underspend in 24-25 and CES is currently forecasting a circa £80k underspend in staff salaries in 25-26.

Recommendations:

The Board of Trustees is asked to note and discuss:

- the position of the SFC for funding CES activities from 2026/27
- the requirement for CES to consult with SFC on an allocation formula for National Bargaining money from 2027/28 onwards
- the ask to explore funding flexibilities from the SFC for any underspend in 2025/26 and 2026/27

Colleges Scotland
March 2026



Our ref: 884426016-99880
SFC Project Code: F22040
SIRL ID Code: 2322

9 June 2025

Gavin Donoghue
Chief Executive
Colleges Scotland
Argyll Court
Castle Business Park
Stirling
FK9 4TY

Dear Gavin,

College Employers Scotland: Offer of grant

The Scottish Funding Council (SFC) is pleased to offer Colleges Scotland funding of up to £996,000 from SFC's strategic funds to fund the activities of Colleges Employers Scotland inclusive of appropriate shared service costs.

The funding will be paid over Academic Year 2025-26 for activity between August 2025 and July 2026. The proposal agreed at the College Employers Scotland meeting of 6 November 2024 forms the basis of this offer.

Conditions of funding

This funding must be used for the purposes given and is offered in accordance with SFC's, SFC's governance requirements, and the following specific conditions of grant:

- In the current fiscal environment SFC faces extreme pressures on the availability of Strategic Funds. However, SFC recognises the importance of supporting the national collective bargaining process and to ensure that it is appropriately supported, and SFC remains supportive of College Employers Scotland. As set out in the prior year award letter, the arrangement to fund this via Strategic Funds was an interim solution. Academic Year 2025-26 therefore represents the final year of funding from Strategic Funds, providing College Employers Scotland the period to July 2026 to implement an alternative funding methodology directly with colleges. For Academic Year 2026-27, SFC will include the £996,000 in college funding allocations, so that member colleges can fund College Employers Scotland directly.

- Colleges Scotland must use this grant (for use on Colleges Employers Scotland activities only) to achieve the outputs and outcomes provided in your proposal as agreed with SFC.
- The nominated contact must act on behalf of your organisation and accept responsibility for monitoring the use of the restricted grant. You must notify us as soon as possible if the named contact changes.
- You must seek our agreement in advance for any alterations to the outputs or outcomes of the programme of work. You must also tell us immediately of any actual or anticipated problems which are likely to affect the timetable, outcomes, or cost of the activity. We may request additional reports if necessary.
- Any underspend at the end of the award period (i.e. after the end of July 2026) must be returned to SFC.
- In acknowledgement of SFC's funding contribution, our logo must be displayed on any publicity material (signage, posters, website etc) relating to the activity. Please contact SFC's communications team to discuss publicity arrangements (email: communications@sfc.ac.uk).
- The Scottish Government expects that all public bodies and those in receipt of public funds should be exemplars, and be able to demonstrate practices, of [Fair Work](#). Recipients of public sector grants are required, as a minimum standard, to comply with the following mandatory criteria:
 - Pay at least the Real Living Wage
 - Provide appropriate channels for effective workers' voice, i.e. collectively (e.g. through trade union recognition) and individually (e.g. through staff surveys)
 Recipients of public sector grants are expected to commit to working towards the remaining five desirable [Fair Work First criteria](#), i.e. investment in workforce development; no inappropriate use of zero hours contracts; address workplace inequalities; offer flexible and family friendly working practices for all workers from day one of employment; and oppose the use of fire and rehire practice. We expect Colleges Scotland to have a statement on Fair Work practices; the best practice is that institutions should make every endeavor to do this in agreement with their workforce, such as the relevant trade union where one is present, or workers' representative(s) where there is no union present.

We may audit the relevant documentation to satisfy ourselves that you have used the grant appropriately and have met the conditions of grant. If you do not comply with any of the conditions of grant, we may suspend payments and/or recover funding paid.

Outcomes

We are contributing to the costs of College Employers Scotland to support the achievement of its key outcomes, which in turn contributes to the following SFC strategic objective:

- Building a responsive, coherent, sustainable system

and contributes to the following Scottish Government National Performance Framework Outcome:

- Fair Work and Business – We have thriving and innovative businesses, with quality jobs and fair work for everyone.

The expected outputs, outcomes, and impacts of the investment will be:

- A holistic Pay and Rewards Strategy
- Sustainable and flexible professional workforce, inclusive of training and development
- Professional Registration for Lecturers
- National Conditions of Service
- Development of National Policies and Guidance Frameworks
- Fair Work Framework
- A review of National Facilities Time
- A major review of the National Recognition and Procedures Agreement (NRPA)
- Robust analytical information to inform ongoing costs and funding requirements

The metrics to track and measure success of the activity will be:

- SFC project reporting, and regular meetings between SFC and College Employers Scotland.

Monitoring and evaluation

In addition to regular updates to SFC to reassure us your activity is on track and not receiving funding in advance of need, you must submit a report and financial statement to us by 30 September 2026. The report should detail the effectiveness of the investment in achieving the agreed outcomes and the impact it has created, and the financial statement should account for the use of our funding over the full period of the award with any underspend clearly identified. The reporting template will be sent to you a few weeks ahead of the end of the award period. We may suspend payments or recover funds if we do not receive your report.

We expect colleges, universities, and partner organisations to be accessible and diverse. You are required to demonstrate how this activity contributed to the delivery of the Public Sector Equality Duty and the Scottish Specific Duties (Equality Act 2010), in your end of award report. You should also report on how you fulfilled any commitments, resulting in improvements or mitigation, set out in the Equality Impact Assessment which was undertaken for this funding.

Payment of funding

We will provide funding according to the attached payment profile. If your pattern of spend differs significantly from the payment profile you must notify us as soon as possible. We may pause, recover, or re-profile funds during the award period to avoid payment in advance of need.

Funding for this activity is subject to the availability of funds. If the Scottish Government revises its grant funding to SFC, we reserve the right to make in-year adjustments to this offer of grant.

We cannot process any payments until you have accepted this offer of grant in writing. Please sign this letter and return by email to Des Parr, Budgeting and Reporting Officer, email: grantacceptance@sfc.ac.uk, Tel: 0131 313 6548 by Friday 27 June 2025. You should contact Andrew Millar, Assistant Director, Institutional Sustainability and Governance, email: amillar@sfc.ac.uk, Tel: 0131 313 6538 if you have any queries about this offer of funding.

Yours sincerely



Tiffany Ritchie
Acting Director of Finance
Tel: 0131 313 6500
email: tritchie@sfc.ac.uk

Enc: SFC's governance requirements
Payment profile

cc: Andrew Millar, Assistant Director, Institutional Sustainability and Governance, SFC
Lynne Raeside, Deputy Director of External Affairs, SFC
Elizabeth Horsburgh, Funding Policy Officer, SFC
ROSI, SFC
Strategic Funding, SFC

Acceptance of grant

Project code: F22040

I, on behalf of Colleges Scotland, accept this offer of funding of up to £996,000 from SFC in Academic Year 2025-26 for College Employers Scotland. I agree to comply with SFC's governance requirements, the conditions of funding and requirements of grant, and the monitoring and evaluation requirements as outlined in the offer of grant.

Name:

Position:

Signed:

Date:

SFC's governance requirements of the organisation

1. The Scottish Funding Council (SFC) must be able to rely on the whole system of governance, management and conduct of the organisation to safeguard all funds of the organisation deriving from the Scottish Ministers and to achieve the purposes for which those funds are provided.
2. SFC requires the organisation's (Colleges Scotland) Board to comply with generally accepted principles of good governance. SFC also requires the Board to ensure that:
 - i Public funds are used in accordance with relevant legislation, only for the purpose(s) for which they were given, and where applicable for the requirements and conditions set out in this letter
 - ii Subject to any legal requirement to observe confidentiality, the organisation will be open and transparent with SFC and other stakeholders, and will give, or be prepared to give, a public justification of its decisions in relation to the use of public funds
 - iii The organisation strives to achieve value for money and is economical, efficient and effective in its use of public funding
 - iv There is effective planning and delivery of the organisation's activities in accordance with its mission and the requirements and conditions set out in this letter
 - v The organisation plans and manages its activities to remain sustainable and financially viable. An organisation is being managed on a sustainable basis if, year on year, it generates sufficient income to cover its costs and allow a margin of surplus for investment in its infrastructure – physical, human and intellectual – at a level which enables it to maintain adaptive capacity necessary to meet future demands. However, SFC recognises there could be circumstances that result in the organisation making a planned deficit over a short period of time; for example, strategic investment for growth, where the return on investment is not realised immediately
 - vi The organisation has a sound system of internal management and control, including an audit committee, an effective internal audit service, and adequate procedures to prevent fraud or bribery
 - vii The organisation has an effective policy of risk management and risk management arrangements
 - viii The organisation has regular, timely, accurate and adequate information to monitor performance and account for the use of public funds. Such information will be made available to SFC on request, as necessary, for the exercise of its functions and to gain assurance
 - ix The organisation is engaged actively in continuously enhancing the quality of its activities and involves stakeholders in these processes.
3. As well as being accountable directly to the organisation's Board for the proper conduct of the organisation's affairs, the Chief Executive Officer is also accountable directly to SFC's Accountable Officer (SFC's Chief Executive) for the organisation's proper use of funds deriving from the Scottish Ministers and its compliance with the requirements and conditions set out in this letter.

4. The Chief Executive Officer of the organisation must inform SFC's Accountable Officer without delay of any circumstance that is having, or is likely to have, a significant adverse effect on the ability of the organisation to deliver against its funding agreement with SFC, including delivery of the outcomes set out in this letter. The Chief Executive Officer must also notify SFC's Accountable Officer of any serious weakness, such as a significant and immediate threat to the organisation's financial position, significant fraud or major accounting breakdown, or any material non-compliance with the requirements and conditions set out in this letter.

Assurance

5. To meet their responsibilities, the Chief Executive of SFC must be satisfied that the Board of the organisation meets the foregoing governance requirements as a condition of receiving grant funding from SFC. SFC will, therefore, seek financial management and other information from the organisation but, as far as possible, will rely on data and information that the organisation has produced to meet its own needs. If further information is required, SFC will make a specific request in the context of its commitment to efficient regulation.
6. Where SFC has concerns or insufficient information to provide the assurance required, it will, in the first instance, seek to resolve matters with the Chief Executive Officer of the organisation. Where this has not proved possible, or in the case of significant concerns, SFC's Accountable Officer will inform the Chair of the Board and the organisation's Chief Executive Officer in writing – and without delay – and will specify what action is required to address these concerns.

Payment profile

Activity title: College Employers Scotland

Institution name: Colleges Scotland

SFC project code: F22040

Grant line: 113107 Effective Institutions

	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Total
AY 2025-26	£83,000	£83,000	£83,000	£83,000	£83,000	£83,000	£83,000	£83,000	£83,000	£83,000	£83,000	£83,000	£996,000

HR and Health & Safety Report

Paper 9.1

FOISA Status	Non-Disclosable
Lead	Executive Team

Summary:

The following paper presents the half year position (1 August 2025 – 31 January 2026) for core staffing and sickness in the organisation. It also includes updates on HR, Health & Safety data and policies for the organisation.

Recommendation:

The Board of Trustees is asked to:

- note the update provided in this paper including the updated policies.

Colleges Scotland
March 2026

Colleges Scotland HR and Health & Safety Report

Staffing Complement for the Period 1 August 2025 – 31 January 2026

	As at 1/8/2025		As at 31/1/2026	
<u>Core Staff</u>	<u>Actual</u>	<u>FTE</u>	<u>Actual</u>	<u>FTE</u>
Total	18	16.27	20	18.1
<u>Secondees</u>	<u>Actual</u>	<u>FTE</u>	<u>Actual</u>	<u>FTE</u>
Total	0.0	0.0	0.0	0.0
<u>Consultants/Temp Staff</u>	<u>Actual</u>	<u>FTE</u>	<u>Actual</u>	<u>FTE</u>
Total	0.0	0.0	0.0	0.0
Total (core, secondees and consultants)	18.0	16.27	20	18.1

Staff Sickness Absence for the Period 1 August 2025 – 31 January 2026

Period	1 August 2025 – 31 January 2026	1 August 2024 – 31 January 2025
Days lost within the period	52	45.5
No of absences within the period	11	11
No of one (and under) day absences within the period	2	5
No of staff off more than once within the period	2	3
Number of Long-term Sick staff (more than 20 working days)	1	1
% Sickness Absence	2.41%	2.04%

From 1 August 2025 – 31 January 2026, this results in a 2.41% sickness absence rate which is slightly higher than the same period in the previous year, although still lower than the public sector and slightly higher than UK-wide ONS data from 2024* (published in June 2025) which suggests the following averages:

- Overall average sickness absence rate: 2.0%
- Private sector: 1.8%
- Public sector: 2.9%.

*Please note, ONS has advised that new sickness absence rates of workers in the UK labour market for 2025, including statistics on the number of days lost and reasons for absence will not be released until **1 May 2026**.

Pending/Ongoing/Recent Recruitment

Colleges Scotland has appointed three new Independent Trustees (30 October 2025) and a Corporate Governance Manager (5 January 2026).

College Employers Scotland (CES) has appointed a Head of National Bargaining (24 November 2025) and a Director of CES (5 January 2026).

Colleges Scotland is currently recruiting an Independent Chair of the Board of Trustees.

Training and Development

All Colleges Scotland employees are signed up to iHASCO online training which ensures all staff have completed mandatory training on **Fire Awareness, GDPR, Display Screen Equipment, Manual Handling, Fraud Prevention, Cyber Security Awareness** and **Sexual Harassment Awareness**.

The Senior Leadership Team continue to manage the training and development budget within the tight financial constraints.

Health, Safety and Wellbeing

Health and Safety

There are no Health and Safety matters to report.

Fire Safety

To ensure sufficient cover due to hybrid working, the Executive Team has encouraged all staff to undergo Fire Warden and Health and Safety training. This training is being arranged for all new staff members.

Wellbeing

Colleges Scotland has an Employee Assistance Programme delivered by **Health Assured** and is a confidential employee benefit designed to help staff deal with personal and professional problems that could be affecting your home or work life, health, and general wellbeing.

The EAP provides a complete support network that offers expert advice and compassionate guidance 24/7, covering a wide range of issues. Colleges Scotland wants to provide an EAP service that offers not only reactive support when someone needs it but also proactive and preventative support to deliver the best possible outcomes.

In addition to Health Assured, Colleges Scotland has partnered with [Able Futures](#) to deliver one-to-one support sessions, provided by The Better Health Generation's Mental Health Nurses, Occupational Therapists and Counsellors.

Staff received a presentation on the Access to Work Mental Health Support Service delivered by The Better Health Generation, in partnership with Able Futures on 2 February 2026. It reiterated to all staff that the service is funded by the Department for Work and Pensions and gives staff access to:

- *Up to 9 months of confidential, one-to-one support from a qualified mental health professional - helping people manage stress, anxiety, low mood, burnout, or workplace pressures.*
- *Specialist support for neurodivergent staff, including access to the Do-It Neurodiversity Profiler to explore individual strengths, traits, and workplace challenges – whether formally diagnosed or not.*
- *No cost to the business or individual employees.*
- *No waiting lists or contracts – just flexible, person-centred help when it's needed most.*

Colleges Scotland HR Policies

Colleges Scotland has undertaken a full review of all Colleges Scotland's Policies to ensure they are fit for purpose and comply with current legislation and have been included in a [Team Handbook](#). All policies are reviewed every two years or sooner, if legislative change is required.

As part of the review programme, the following policies have been reviewed, simplified and updated to ensure they are in line with recent legislative changes. These are, [Pay](#), [Corporate Social Responsibility](#), [Adoption](#), [Maternity](#), [Annual Leave](#), [Hybrid Working](#), [Inclement Weather](#) and [Equality and Diversity](#).

The following policies are currently being reviewed and will be added to the **Team Handbook** once complete, **Travel and Subsistence**, **ICT**, **Social Media**, **Absence Management**, **Discipline**, **Employee Code of Conduct**, **Grievance**. These policies will be shared with the Board of Trustees in the next scheduled update paper later this year.

STEP HR is working with the Business Services Manager in ensuring the new legislative changes from April 2026 are incorporated into current policies/HR paperwork.

Remaining Policies

The full list of policies and review dates are attached as **Appendix 1**.

Recommendations

The Board of Trustees is asked to:

- note the update provided in this paper including the updated policies.

Colleges Scotland
March 2026

Colleges Scotland Policies Review Dates (in date order due)

Policy Title	Last Date Reviewed	Next Date for Review	Comments
1. ICT Policy (now includes Personal Info)	Sept 2023	Sept 2025	Review in Progress
2. Social Media	Feb 2024	Feb 2026	Review in Progress
3. Disciplinary	Feb 2024	Feb 2026	Review in Progress
4. Grievance	Feb 2024	Feb 2026	Review in Progress
5. Absence Management	Feb 2024	Feb 2026	Review in Progress
6. Employee Code of Conduct	Feb 2024	Feb 2026	Review in Progress
7. Travel and Subsistence Policy	Feb 2024	Feb 2026	Review In Progress
8. Disciplinary	Feb 2024	Feb 2026	Review in Progress
9. Flexible Working	May 2024	May 2026	Current policy still valid
10. Health and Safety Policy Statement	June 2024	May 2026	Current policy still valid
11. Carers Leave (NEW)	May 2024	May 2026	Current policy still valid
12. Paternity	May 2024	May 2026	Current policy still valid
13. Fire Evacuation	June 2024	June 2026	Current policy still valid
14. Media	Sept 2024	Sept 2026	Current policy still valid
15. Shared Parental Leave	Sept 2024	Sept 2026	Current policy still valid
16. Redundancy	Aug 2024	Sept 2026	Current policy still valid
17. Bullying and Harassment	Sep 2024	December 2026	Current policy still valid
18. Retention Policy	Feb 2025	Feb 2027	Review in progress due to change in role holders in policy
19. Staff Development	Feb 2025	Feb 2027	Current policy still valid
20. Anti-Fraud	Feb 2025	Feb 2027	Current policy still valid
21. Pension and Retirement	Feb 2025	Feb 2027	Current policy still valid
22. Gifts and Hospitality	April 2025	April 2027	Current policy still valid
23. Anti Bribery	April 2025	April 2027	Current policy still valid
24. New Employee Relocation Policy	April 2025	April 2027	Current policy still valid
25. Whistleblowing	Feb 2024	October 2027	Current policy still valid
26. Staff Benefits	Sep 2025	October 2027	Current policy still valid
27. Menopause Policy	October 2025	October 2027	Current policy still valid
28. Corporate Social Responsibility	March 2026	March 2028	Review Complete
29. Pay	March 2026	March 2028	Review Complete
30. Annual Leave	March 2026	March 2028	Review Complete

31. Hybrid Working Policy	March 2026	March 2028	Review Complete
32. Inclement Weather	March 2026	March 2028	Review Complete
33. Equality and Diversity	March 2026	March 2028	Review Complete
34. Maternity	March 2026	March 2028	Review Complete
35. Adoption	March 2026	March 2028	Review Complete
36. Data Protection	Ongoing review	Ongoing review	This is always under review and is on the website

Key:

Review Complete/Current Policy Still Valid
Review In Progress

Non-Disclosable