

Sarah Bennett

From: John Kemp
Sent: 10 December 2013 17:09
To: 'Derek Banks'
Cc: Sharon Drysdale
Subject: RE: Voluntary Severance

Derek,

I am happy to confirm that we will pay 13 months salary subject to a valid claim being made against our VS funding for the merger. I anticipate Council will agree the transitional funding requested for the merger at its meeting this Friday (13th).

Given that in almost every other merger I have been involved in the due diligence has been finalised prior to the amount of transitional funding being available from SFC being confirmed, I cannot see the fact that Friday's meeting has not yet taken place being an impediment. If however it is, please let me know and I will arrange that either Sharon or I phone you on Friday to tell you if the outcome of the meeting.

John

John

John Kemp

Director of Strategic Development / Stiùiriche Leasachadh Innleachdail
Scottish Funding Council for Further and Higher Education/ Comhairle Maoinachaidh na h-Alba

From: Derek Banks [<mailto:dbanks@coatbridge.ac.uk>]
Sent: 05 December 2013 16:00
To: John Kemp
Subject: RE: Voluntary Severance

John

Scott Moncrieff have today requested a further communication from the SFC to confirm what funding will be made available, rather than the statement below "you can anticipate that SFC would fund of the former principal's package it is safe to assume". They would like stronger wording rather than "anticipate" and "assume".

Is this possible?

Thanks

Derek

From: John Kemp [<mailto:jkemp@sfc.ac.uk>]
Sent: 14 November 2013 15:44
To: Derek Banks
Cc: Sharon Drysdale; Martin Fairbairn
Subject: Voluntary Severance

Dear Derek,

I understand that in order to close off the due diligence you need confirmation of the amount that the SFC would contribute to the voluntary severance package of the former principal.

As you know we have only just received a response to the email that Laurence Howells sent to the former chair on 24th October. We are still considering your response to that letter.

However, on the specific point on how much you can anticipate that SFC would fund of the former principal's package it is safe to assume that we will pay the amount that he would have received had he been part of the Lanarkshire scheme that applies to other staff. That is, presuming he had the required number of years in the sector, we would pay up to 13 months salary.

I hope this is enough to put a figure in the due diligence document.

Best wishes

John

John Kemp

Director of Strategic Development / Stiùiriche Leasachadh Innleachdail

Scottish Funding Council for Further and Higher Education/ Comhairle Maoineachaidh na h-Alba

From: jkemp@sfc.ac.uk

To:

CC: mfairbairn@sfc.ac.uk; sdrysdale@sfc.ac.uk; lhowells@sfc.ac.uk

Subject: FW: Coatbridge College Board of Management meeting - 23 October 2013

Date: Thu, 24 Oct 2013 15:47:38 +0000

Dear Tom,

I said this morning that Laurence had written to John Gray. Of course we sent this before we had heard you had been elected chair. Hence I am copying this to you. As I said on the phone this morning, or key interest is to get proper responses to the issues raised in the letters that we have already sent and, through that, assurance that public value is being obtained.

Congratulations again on your election. I look forward to working with you – both at Coatbridge and in the new college.

John

John Kemp

Director of Strategic Development / Stiùiriche Leasachadh Innleachdail
Scottish Funding Council for Further and Higher Education/ Comhairle Maoineachaidh na h-Alba

jkemp@sfc.ac.uk

From: Laurence Howells
Sent: 24 October 2013 11:06
To:
Cc: John Doyle; Martin Fairbairn; John Kemp; Sharon Drysdale
Subject: Coatbridge College Board of Management meeting - 23 October 2013

Dear John

Thank you for facilitating our attendance at Coatbridge College Board of Management meeting last night.

Given the importance of the items discussed I thought it was imperative that I clarified the expectations of the SFC at the earliest opportunity. I am doing so because I have not had satisfactory responses yet to my letter to John Doyle of 10th October, John Kemp's email to John Doyle of 16th October or my letter to you of 22nd October. You also promised to share with us the outcome of the work that Biggart Baillie had been doing over the past week or so considering your process. We have not yet seen that. You also told me last night that you would not be available today (Thursday) to tell me the outcome of the Board meeting.

As we now need to begin consideration of the business case for the merger of Coatbridge College with New College Lanarkshire, I now need you to provide the following urgently:

1. By close of business tomorrow (Friday) SFC expect to receive both the official minute of the Remuneration Committee meeting that preceded the Board meeting and the official minute of the Board meeting.
2. Coatbridge College write to SFC (again, by the end of Friday) confirming that the six senior managers who were to receive a more favourable voluntary severance deal have voluntarily agreed to decline this opportunity.
3. Coatbridge College advise SFC in writing, details of the rationale and exceptional circumstances used to reach the decision on the financial settlement for the Principal. This rationale must also be clearly evidenced and recorded in the official minute of the Remuneration Committee. This is essential to demonstrate that the College's Board of Management has taken the steps necessary to ensure that the institution is taking account of relevant good practice in the management of its resources as per the Financial Memorandum and associated guidance.
4. The College is also required to submit to the SFC by 1st November 2013 a report from both internal and external auditors that makes clear their views and opinions on the financial settlement proposed.

We appreciate that asking you to provide the official minute of both meetings in such a short period of time is an exceptional request. We also recognise that the Board of Coatbridge College will not have had a formal opportunity to approve the minute. However the exceptional circumstances that need to be addressed necessitate this level of urgency.

Given our concerns about what we understand to be the severance package you intend to offer to John Doyle, you should not pay, or take any further steps to commit to, any deal along the lines you indicated to me verbally was your intention (30 months' salary) until you have reassured me (and I have seen evidence that you have reassured your auditors) that the VS arrangement is in accordance with good practice and represents good public value.

Regards
Laurence

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Interim Chief Executive | Àrd-Oifigear Eadar-amail

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