

Board of Management

Meeting	Board of Management
Date and time	Tuesday 18 December 2018 at 3.30 p.m.
Location	Room 202, 1 Inverness Campus

College Secretary
11 December 2018

AGENDA

Welcome and Apologies
Declarations of Interest

ART AND DESIGN - PRESENTATION

ITEMS FOR DECISION

1. **MINUTES (15)**
Meeting of the Board of Management – 11 October 2018
2. **OUTSTANDING ACTIONS (5)**
Action List
3. **AUDITED ACCOUNTS FOR YEAR END 31 JULY 2018 (20)**
 - a) Extract from Minutes of Meeting of the Joint Audit/Finance and General Purposes Committee - 6 December 2018
 - b) Covering report by Director of Finance
 - c) Draft Inverness College Annual Audit Report by Ernst & Young
 - d) Letter of Representation
 - e) Annual report and accounts for the year ended 31 July 2018
4. **AUDIT COMMITTEE ANNUAL REPORT TO THE BOARD OF MANAGEMENT (10)**
Extract from Minutes of Meeting of the Audit Committee - 27 November 2018
5. **(R) ANNUAL BOARD REVIEW OF RISK MANAGEMENT POLICY (5)**
Extract from Minutes of Meeting of the Audit Committee - 27 November 2018
6. **(R) SINGLE POLICY ENVIRONMENT – POLICIES (10)**
 - a. **Admissions**
 - b. **Tertiary Learner Support**
 - c. **Fee Waiver**

d. Student Support Funds

e. Intellectual Property

Covering report by Principal

7. (R) POLICIES (10)

a. Relocation and Removal

b. Staff Grievance

Extract from Minutes of Meeting of the Human Resources Committee – 29 November 2018

c. Supporting Student Carers

Extract from Minutes of Meeting of the Learning, Teaching and Research Committee – 29 November 2018

8. (R) FINANCIAL REGULATIONS (5)

Extract from Minutes of Meeting of the Finance and General Purposes Committee – 6 December 2018

ITEMS FOR DISCUSSION

9. FINANCE SYSTEM (CONFIDENTIAL) (40)

Report by Director of Finance

10. STUDENT RECRUITMENT 2018-19 (5)

Report by Depute Principal

11. PRINCIPAL'S UPDATE (20)

Report by Principal

12. (R) DRAFT MINUTES OF MEETINGS OF BOARD COMMITTEES (CONFIDENTIAL) (10)

a) New Campus Project Board – 31 October 2018

b) Chairs – 22 November 2018

c) Performance Review and Remuneration – 22 November 2018

d) Audit – 27 November 2018

e) Human Resources– 29 November 2018

f) Learning, Teaching and Research – 4 December 2018

g) Longman Disposal Project Board – 5 December 2018

h) New Campus Project Board – 5 December 2018

i) Finance and General Purposes – 6 December 2018

j) Joint Audit and Finance and General Purposes – 6 December

2018

ITEMS FOR NOTING

13. UHI COURT – QUARTERLY UPDATE FROM UHI SMT AND ACADEMIC PARTNERS

14. 2017-18 REGIONAL OUTCOME AGREEMENT SELF EVALUATION

Joint Report by Dr Diane Rawlinson, VP FE and Margaret Antonson, Head of Marketing and Planning

15. REGIONAL OUTCOME AGREEMENT PROCESS

Report by Dr Diane Rawlinson, VP FE

16. AOCB

17. DATE AND TIME OF NEXT MEETING

Thursday 21 March 2019 at 3.30 p.m.

If any member wishes to add an item of business to the Agenda, please inform the Chair and the Board Secretary as soon as possible. Additional items of business will **only** be considered for inclusion in the agenda in advance of the start of the meeting.

Creative and Cultural Industries Development – WASPS Studios

1. Purpose/Executive Summary

- 1.1 The Report outlines a proposal to acquire accommodation within WASPS artist studios located in the former Inverness College/UHI Midmills Campus, to significantly develop the key creative industry programs for art, design and innovation.

2. Board members are asked to note:

- that accommodation in WASPS artist studios should be acquired by Inverness College/UHI
- that third party funding/contributions for capital spend will be investigated
- that third party funding for/contribution for revenue spend will be investigated
- these proposals reflect the current Inverness College Strategic Plan and its aims

3. Background

- 3.1 The Midmills building was built in 1895 as Inverness Royal Academy. In 1970, the building was acquired by Inverness College when it became the Midmills Campus. The site housed a number of Inverness College departments including drama, art and business.

The original art and design department was a prominent feature of the building and form part of the wider arts community in the city centre of Inverness. The art and design department delivered Further Education courses predominantly. Due to the emergence of UHI model, Higher Education courses began to be developed.

- 3.2 Inverness College vacated the building at the end of the 2013/14 academic year, moving to the New Inverness Campus.

4. WASPS (Workshop & Artists Studio Provision Scotland)

- 4.1 WASPS describe themselves as “*a charity that provides affordable studios to support artists, arts organisations, and creative businesses*”.
- 4.2 The Wasps group structure has three entities:
- Wasps Trust – charity registered in Scotland

- Workshop and Artists' Studio Provision Scotland Limited – company limited by guarantee and a charity, registered in Scotland and fully owned by Wasps Trust
 - Wasps Creative industries CIC – a community interest company, registered in Scotland and fully owned by Wasps Ltd.
- 4.3 In 2014, the Midmills site was sold to McCarthy and Stone for development into flats but subject to a planning condition that the original B-listed building must include a provision for public use.
- 4.4 WASPS formed a partnership with the developers and acquired the original building on favourable terms.
- 4.5 WASPS have almost completed the first phase of development of the Midmills building, the former Inverness Royal Academy. The aim is to provide high quality affordable workspaces for 39 artists and makers and was expected to be completed by summer 2018.
- 4.6 The first phase of development is near completion and studio spaces already let and some are occupied.
- 4.7 A second phase of development is at the fundraising stage and will provide exhibition, performance and events space, a public cafe, workshop areas and offices for creative industries.

5. Benefits and Development

- 5.1 There are a number of opportunities interwoven into this proposal.
- 5.2 It is likely that Inverness College would benefit from re-establishing a creative and cultural presence in the centre of Inverness city due to benefiting from an enhanced profile and engagement with public/private partners and stakeholders and by being better connected with the wider cultural community.
- 5.3 Clearly, acquiring additional accommodation will increase capacity across the art and design department in particular, and Inverness College in general. This will enable greater flexibility in terms of planning and relieve some accommodation pressures in the Inverness Campus.
- 5.4 Other more established art colleges are lowering their entry requirements which may make them more attractive destinations for people in the Highlands. It is important Inverness College is positioned to be able to compete with other colleges/universities and offer a high-quality learner experience in order to improve the retention of local people and attract high functioning students to Highland, towards the development of the creative economy the region, improving sustainability of the area's economic prospects.
- 5.5 This will mean that Inverness College is better equipped to compete with other academic institutions by offering dedicated studio space, in a nurturing, collaborative and inclusive setting and a unique environment to develop in.
- 5.6 A key factor is the ability to provide an enhanced learning experience for Inverness College students. It is likely that students located in WASPS will

benefit from having a dedicated studio space; be directly involved with other creative professionals; and assimilate into the creative culture of the city and region.

- 5.7 Graduates who have been embedded into the arts community would be considered more likely to have improved outcomes in the professional community and be able to play their part as economic drivers of the region.
- 5.8 Inverness College is an important provider of education, and therefore, in the creative economy of the region. It is envisaged a presence in WASPS would consolidate that position and provide a sustainable platform for development.
- 5.9 To begin to develop high quality undergraduate, postgraduate, research and entrepreneurial opportunities and to develop a role, as one of the key drivers for change; to become assimilated into the creative, cultural and business communities as a trusted partner.
- 5.10 This will enable Inverness College/UHI to fulfil medium to longer term goals as set-out in the 2017-2020 Strategic Plan. To develop a space/place towards empowering our creative in economy to flourish at the forefront of every challenge.
- 5.11 The help to establish, consolidate and develop the region by developing interdisciplinary across multidisciplinary contexts in Highland and have increased resilience against any threats from potential academic colonisers.
- 5.12 Developing a creative workforce in socio-economic, political and cultural terms; to develop a forward thinking, sustainable region that creates an attractive environment for inward investment and the development of indigenous industries in line with Highland Council and Scottish Government policies.
- 5.13 This is very likely to be perceived as a very positive development both internally and externally and will enable Inverness College to further develop its reputation as a good corporate citizen and a progressive organisation. Inverness Chamber of Commerce, Skill Development Scotland, Highlands and Island Enterprise and Creative Scotland are likely to be supportive.
- 5.14 It is possible there will be opportunities to attract financial support to develop a “FAB Lab” which may offer access to emerging digital technologies and help to establish Inverness College as a Centre of Innovation.

6. Sustainability

- 6.1 This proposal accords aims and objective as set-out in the Inverness College Strategic Plan 2017-2020.
- 6.2 It is clear that the Creative Industries are likely to represent a key growth sector in Scotland's economy going forward, that Inverness College and UHI need be in a position to service, stimulate and support the creative economy in local, national and international contexts.
- 6.3 The UK Government's Department for Digital, Culture, Media and Sport cites the Creative Industries (CI) are growing at twice the rate of the economy.

- 6.4 Employing around 5,500 people and with a value of £740m to the economy of the region, the CIs in the Highland and Islands are complex and diverse. (source HIE)
- 6.5 Although there are obvious concentrations of activity in centres like Inverness, the sector is buoyant throughout the region, with small clusters often strongly linked into the local cultural scene. (source HIE)
- 6.6 3 million people are employed representing 1 in 11 UK jobs – around 6% of these jobs are estimated to be in Scotland. CI contributes an estimated £92bn of GVA to the UK economy – more than 5% of UK GVA. £27bn of creative industries services were exported – representing 11% of all UK service exports (source HIE)
- 6.7 While the Creative Industries are valued at £740m to the economy in the region, Scottish Government 2018 statistics for Scotland should the creative industries turnover is £7.4bn, GVA £4.4bn, Exports £2.9bn, 9% of the business base with 73,000 FTEs representing 3% of all employment in Scotland. (source Scottish Government)
- 6.8 The figures in 6.6 cover all industries at the Scottish government considered to be in the cultural domain but represent over 900 businesses.
- 6.9 Inverness city centre is undergoing significant change as Highland Council begins to deliver its City Vision to regenerate the town centre. City Deal funding is propelling transformational change and the new cultural district will emerge. A presence in the city centre may allow Inverness College to contribute to that change.
- 6.10 A longer-term vision to develop a Scottish School of Architecture, Design and Innovation Campus may be a possibility.

7. Implications

- 7.1 **Resource – Capital Funding**, the direct implication from this report is for capital funding for the provision of equipment, this is currently being evaluated, however it is anticipated the sum required will not be significant. Third-party funding is currently being investigated with HIE. An update can be presented at the March Board meeting.

Resource – Revenue Funding, implications for this report are that revenue funding will be required to cover cost of the lease/rent. Negotiations with WASPS are ongoing and have been positive. Third-party funding is currently being investigated with the Inverness Common Good Fund. This may also enable WASPS to meet their public use and charitable obligations. An update can be presented at the March Board meeting.

Legal – leasing or rental arrangements will require to be agreed with all stakeholders.

Risk – If securing external funding, the college will be required to enter into contractual agreements with third parties. If this is not done correctly the college could be at financial risk and the reputational risk of not being able to manage public funds correctly. Having a perceived close association with WASPS will present elements of risk. Risks can be mitigated by contractual

agreements (compliance with health and safety and college policies etc.). Risks will be added to our Risk Register.

Gaelic – There are no implications for Gaelic. The use of Gaelic will be encouraged and supported to enable the language to flourish in a creative environment, reflecting the culture and heritage of region. Links to Gaelic Education and partners will be iteratively investigated.

Date: 12th December 2018

Designation: Lecturer in Art and Design

Author: Ken Gowans Cert SocSci, PgCert TQFE, MFA

Board of Management

MINUTES of the MEETING of the BOARD OF MANAGEMENT held at the Scottish School of Forestry, Balloch on Thursday, 11 October 2018

PRESENT: Hazel Allan, Andrew Bowie, Sarah Burton, Jaci Douglas, Andy Gray, Brian Henderson, Shawna Mackinnon, Helen Miller, Chris O'Neil, Fiona Neilson, Gavin Ross, Tom Speirs, Neil Stewart, Steve Walsh, John Wilson

CHAIR: Neil Stewart

APOLOGIES: Robyn Kennedy, Carron McDiarmid, Innis Montgomery

IN ATTENDANCE: Director of Organisational Development
Director of Finance
Director of Business Development
Head of Research Development
Head of Curriculum
Board Secretary

The Chair welcomed Dr Fiona Skinner, Subject Network Leader - Applied Life Studies who would be making a presentation on the UHI School of Health, Social Care and Life Sciences.

He was pleased to be able to welcome Tom Speirs as a full member of the Board. The University Court had approved the recommendation that Tom be appointed to the position recently vacated by Ollie Bray. On behalf of the Board, he expressed his thanks to Ollie for his contribution as Vice Chair of the Learning, Teaching and Research Committee and as a member of the Board.

He welcomed Andrew Bowie and Shawna Mackinnon to their first Meeting as Student Board members.

He advised that he wished to include two items under "AOCB" namely the UHI Assembly and Longman Disposal.

He proposed that a Board Away Day be held in January 2019. All Members agreed that this would be useful.

He referred to the late issue of all agendas and papers during the current cycle of meetings and requested that Management ensure that in future, papers were provided to the Board Secretary so that they could be issued in a timely manner.

Steve Walsh entered the meeting.

Presentation by Dr Fiona Skinner, Subject Network Leader – Applied Life Studies

Dr Skinner provided an overview of the UHI School of Health, Social Care and Life Sciences. She focussed on the curriculum delivered within Applied Life studies at

both HE and FE level and referred to the year on year increases in enrolments since 2013-14 as well as the future UHI Health/Care education activities.

The Chair thanked Dr Skinner for an interesting and informative presentation.

1. **MINUTES**

The Minutes of the Meeting of the Board of Management held on 26 June 2018 were **AGREED** as a correct record, were **APPROVED** and were signed by the Chair.

Matters arising GDPR

A training session on GDPR and e mail usage and retention would be organised.

Board member Development

A number of members had still to complete the mandatory Information Security and GDPR training and also, members of the Audit Committee, the online module within the Governance Hub.

2. **OUTSTANDING ACTIONS**

The Board **NOTED** the actions that had been completed and those that were still outstanding. The list would be updated accordingly.

Student Residences

A response had not been received from the Chair of Court to the joint letter from the Board Chair and HISA Inverness President (dated 13 April) despite numerous reminders.

The Finance and General Purposes Committee, at its last meeting in September had once again expressed serious concerns at the low occupancy rates of the student residences and had highlighted the financial risks to the University partnership.

UHI had entered into a contract with Cityheart to manage the residences and 100% occupancy had to be achieved. Inverness College had no involvement in the management of the residences. There was a full and robust discussion and the following key points were made

- Opportunities for students were not being maximised
- The current structure undermined the College's ability to attract RUK and international students. The academic offer needed to include a package which included both the course and accommodation.
- Subsidising the cost of the residences was one way to increase occupancy rates.
- Scholarship funds should be made available for accommodation costs
- There was a significant concern that UHI would amend the level of the top slice to meet the costs of under occupancy.
- Safeguarding and security of IC students was paramount
- There was a reputational risk to the College and its students
- The sporadic nature of the meetings of the Residences Project Board and Residences Operational Group was of concern

It was incumbent upon the Board of Management to highlight these concerns to UHI.

The Board of Management **AGREED** that

1. The Board Chair write again to the Chair of Court
2. HISA Inverness consider writing to both the Chair of Court and Independent Court Members
3. the Chair of Audit raise the financial, reputational and other key risks associated with the residences at the Joint Audit Committee Chairs meeting in November
4. the Principal and Senior Management Team highlight the Colleges vicarious liability and duty of care with Executives within EO
5. the Board Secretary investigate how these concerns could be escalated through governance channels
6. Reference to all previous discussions on the residences be gathered so that there was a complete audit trail.
7. All responses to the communications and actions above be shared with all board members

3. **ANNUAL BOARD EVALUATION EXERCISE**

All Board members had completed the annual board evaluation exercise in advance of the meeting in June. Because of the volume of business, the item had been deferred to this meeting. The evaluation questions were split across the five sections within the code of good governance for Scotland's Colleges. The Director of Organisational Development had collated the responses and had identified that the one area which required further consideration was "relationships and collaboration".

It was acknowledged that there was a high level of stakeholder engagement across the college but this was perhaps not communicated effectively to the Board.

The Board of Management **AGREED** that the Board Away day in January should include a session on engaging the Board. Thereafter, areas for improvement would be determined and appropriate actions identified and taken forward.

4. **E MAIL USAGE AND RETENTION POLICY**

The Audit Committee at its meeting held on 18 September 2018 had recommended the E mail usage and retention policy to the Board of Management for approval.

There was discussion as to how the College would enforce the policy. Assurance was given that it would be enforced through education and monitoring as well as the use of the disciplinary procedures if necessary. The Board also acknowledged that all board members would have to comply with the policy.

The Board of Management **APPROVED** the e mail usage and retention policy.

The Chair referred to the recent data breach which had been reported in the press. The Director of Organisational Development confirmed that the breach

had been reported to the Information Commissioner and that no fine would be levied. The procedure had been amended to ensure that the Chair of the Board and the Chair of the Audit Committee would be advised of any data breaches as soon as possible.

The Chair suggested that item 9 on the Agenda, National Bargaining, be considered as the next item of business as it would inform discussion of the Finance Strategy and the SFC FFR 2018. This was agreed.

5. NATIONAL BARGAINING

A report by the Director of Organisational Development provided an update on National bargaining, confirming the conclusion of negotiations on national terms and conditions as well as providing a progress update in terms of cost of living pay negotiations for 2017/18 and 2018/19.

Although the Scottish Government, through SFC, was providing financial support for the implementation of the lecturer and promoted lecturer national pay scales, this did not extend to cost-of-living pay rises or the impact of changes to terms and conditions. The Government saw these as being the responsibility of each college.

There was real concern that despite the significant enhancement to lecturers pay that came with the implementation of national pay scales, EIS FELA was seeking cost of living rises that they believed should reflect the relaxation of public sector pay guidelines and an end to austerity. This continued push for unaffordable pay rises from EIS could have a devastating impact on the finances of academic partners if these were not met by SFC support.

The Board of Management **NOTED** with significant concern, the current position.

6. FINANCE STRATEGY

The Finance and General Purposes Committee at its meeting held on 27 September had considered the Finance Strategy for the period 2018/19 – 2022/23 which had been prepared taking into account other College strategies, an appreciation of the financial risks to the institution, and an understanding of opportunities and areas for development. The suggested key performance indicators flowed from KPIs commonly used. Some of these were used by SFC when assessing financial performance.

The Chair suggested that the strategy outlined objectives that the College could control but it did not address many of the key issues upon which there was still a lack of clarity, including, for example, national bargaining and Brexit. The context upon which the strategy was based needed to be expanded to clearly outline the exceptional challenges facing the college. Financial sustainability was the key medium to long term objective and scenario planning was required to give an understanding of how this could be achieved.

There was a long discussion on the need to increase student numbers, increase income, drive down costs, improve access to data and maintain quality.

The Board of Management **REQUESTED** that, at as a first step, Senior Management review the context and wording of the strategy. Scenario planning would be considered at the Board of Management away day in January 2019.

7. SFC FINANCIAL FORECAST RETURN (FFR) 2018

The Finance and General Purposes Committee, at its meeting held on 27 September 2017 had considered a report by the Director of Finance which referred to the annual requirement for colleges to complete a Financial Forecast Return (FFR) by the SFC. This formed part of the SFC's financial health monitoring framework. The FFR provided financial projections over a six year period, the current academic year (as at June) and the following five years. The 2018 FFR spanned the period to July 2023. In line with SFC guidance, the draft FFR 2018 had been signed by the Principal and submitted to SFC by 28 September.

The Board of Management **APPROVED** the SFC FFR 2018.

8. EQUALITY OUTCOMES ANNUAL REPORT

The Human Resources Committee at its meeting held on 28 September had considered the equality outcomes annual report which outlined the progress made in 2016/17 and developments in 2017/18 in anticipation of formal reporting by April 2019. The College had published its mainstreaming report in April 2017 and a review of progress was due for publication by April 2019.

The Board of Management **WELCOMED** the positive report.

9. EDUCATION SCOTLAND – DRAFT EVALUATIVE REPORT AND ENHANCEMENT PLAN 2018-19

A report by Depute Principal advised that under the revised External Quality Arrangements for Scotland's Colleges, each college was required to produce an Evaluative Report and Enhancement Plan (EREP) by the end of October. The Evaluative Report covered the preceding academic year and the Enhancement Plan covered the next three years (previously one year). This was the second year of the arrangements.

The Board of Management

1. **APPROVED** the draft report which would be considered at the pre-endorsement meeting on 17th October
2. **APPROVED** the proposed grades within the draft report and
3. **AGREED** that e mail approval be sought from the Board following the pre-endorsement meeting

10. RISK REGISTER / RISK

A report by the Principal provided details of the ongoing review of the risk register by the SMT, referred to the red risks across the UHI partnership and to the proposed development of a rolling scenario plan as part of the continuing consideration of high level risk management.

The financial risks, which included the student residences would be considered at the Joint Audit Committee Chairs meeting in November. The Board of Management **NOTED** the position.

11. PROGRESS AGAINST STRATEGIC PLAN 2017-2020 INCLUDING KPIS FOR 2017-18

A report by the Principal provided details of the progress which had been made against the strategic objectives and provided details of the delivery of the KPI's. He suggested that the college was delivering on all of the strategic aims but he had some concerns with strategic aim 4, namely organisational development. The College was engaging well with students but needed better engagement with staff. Similarly, the college was moving forward in reaching the targets set for the KPIs but more rapid progress was needed in some areas.

The Board requested that the Financial KPIs be shown as percentage changes rather than absolute figures.

The Board of Management **NOTED** the position.

12. STUDENT OUTCOMES AND SATISFACTION RATES FOR 2017-18

A report by the Depute Principal provided a summary of provisional performance indicators (PI) for student outcomes and satisfaction rates for 2017-18.

The Board of Management **WELCOMED** the positive report and acknowledged that it was encouraging to see the upward trends.

13. STUDENT ACTIVITY 2017-18 AND STUDENT RECRUITMENT 2018-19

A report by the Depute Principal advised that the outturn for FE student activity in 2017-18 was currently just over 100% of target, pending the final return to the Scottish Funding Council. The outturn for HE was also just over 100% of target.

Early indications of the recruitment for the current academic year were broadly in line with this time last year. The target for FE in 2018-19 was slightly down on last year, and the target for HE was similar to the 2017-18 outturn. Close attention would be given to monitoring recruitment and FE credits in particular.

The Board of Management **NOTED** the positive position.

14. HEALTH AND SAFETY ANNUAL REPORT 2017-18

The Audit Committee, at its meeting held on 18 September 2018, had considered the health and safety annual report 2017-18. During the last academic year, there had been some significant developments in the management of Health and Safety within the College. The HASMAP standard adopted by the College had been working well, especially with regards to auditing. The "SHE" centralised system of reporting and recording H&S information, which had been introduced in 2017 had become a vital part of the management of H&S. Another positive factor had been the reduction in hand injuries compared to the previous year and the increase in the reporting of incidents.

The Board of Management **NOTED** the positive report.

15. PRINCIPAL'S REPORT

A report by Principal provided the Board with an overview of new and continuing activity including:-

- Finance/Funding
- New Depute Principal Post
- Quality Conversation
- Curriculum review/ barometer/ HEIDI+

The Board of Management **NOTED** the wide range of activity referred to in the report.

16. MINUTES OF MEETINGS OF BOARD COMMITTEES

The Board **NOTED** the minutes of the committee meetings as follows:

- a. Chairs Committee – 13 September 2018
- b. Audit Committee – 18 September 2018
- c. Learning, Teaching and Research Committee - 25 September 2018
- d. Finance and General Purposes Committee- 27 September 2018
- e. Human Resources Committee - 28 September 2018

Items 17 and 18 were included in the agenda for noting only and therefore no discussion took place at the meeting.

17. UHI COURT

A quarterly update from UHI SMT and academic partners had been considered by the UHI Court at its meeting in September.

18. UHI RESIDENCES – UPDATE

A report by the Head of Governance and Records Management, UHI provided a comprehensive update on the student residences.

19. AOCB

Longman Disposal

The Director of Organisational Development provided a brief update on the Longman disposal project. Central Demolition Ltd had been appointed as the demolition contractor and insurance issues were progressing to procurement. The tenants on the site, Vodafone and THUS had now given consent to the demolition.

The College, SFC and SFT had only recently been made aware that Ministerial consent was required for the funding from SFC as the figure was over £1M. This had to be received before 26 October otherwise the contract would have to be put out to tender again.

The Board of Management noted the significant risks and **AGREED** that the Principal should make contact with Fergus Ewing MSP to make him aware of the contract deadline.

UHI Assembly

The Chair provided an update on the UHI Assembly meeting which had been held on 26 September. Following this meeting, a Programme Board was being established with a wide ranging membership including students, staff, UHI Court and partner Boards of Management members as well as senior executives from UHI and the academic partners. Three themes had been

identified, namely staff progression and development, resource allocation and governance. These would be prioritised by the Programme Board.

20. DATE AND TIME OF NEXT MEETING

Tuesday 18th December 2018 @ 3.30 P.M.

Signed by the Chair: _____

Date: _____

Board of Management – List of Outstanding Actions

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26 October 2017				
Item	Action	Responsibility	Time line	Actioned
Risk Appetite	Raise issues with the risk register template at the next Joint audit chairs meeting	Board Secy / Chair of Audit	16 November May 2018 (risk not included in May agenda) November 2018	
26 June 2018				
Item	Action	Responsibility	Time line	Actioned
Student residences	Contact SYHA re use of residences	Head of Student Services	By end October	Diane Abernathy, Marketing Officer, Residences taking his forward
OSCR annual return	Draft for 2017-18 to be submitted to the Board meeting in March	D of F	For March 2019 BOM meeting	
11 October 2018				
Item	Action	Responsibility	Time line	Actioned
GDPR	Training session on GDPR and e mail usage and retention	Director of Corporate Services	Prior to start of next BOM 18 December	
Student Residences	1. The Board Chair write again to the Chair of Court 2. consider writing to both the Chair of Court and Independent Court Members 3. raise the financial, reputational and other key risks associated with the residences at the Joint Audit Committee Chairs meeting in November	Chair/Board Secretary HISA Inverness President Chair of Audit	Mid November < end November 14 November meeting	

ITEM 2

	4. highlight the Colleges vicarious liability and duty of care with Executives within EO 5. investigate how these concerns could be escalated through governance channels 6. Reference to all previous discussions on the residences be gathered so that there was a complete audit trail. 7. All responses to the communications and actions above be shared with all board members	Principal and SMR Board Secretary Board Secretary Board Secretary	Ongoing By end November Ongoing Ongoing	
Annual Board Evaluation Exercise	Board Away day in January should include a session on engaging the Board. Thereafter, areas for improvement would be determined and appropriate actions identified and taken forward.	Principal/Board Secretary	Away Day – 25 January 2019	
Finance Strategy	Review the context and wording of the strategy. Scenario planning would be considered at the Board of Management away day in January 2019.	SMT Principal	Away Day – 25 January 2019	
Risk Register / risk	The financial risks, which included the student residences would be considered at the Joint Audit Committee Chairs meeting in November.	Chair of Audit	14 November meeting	
KPI's	Financial KPI's be shown as percentage changes rather than absolute figures	Director of Finance	2019 report	
Longman Disposal	Make contact with Fergus Ewing MSP	Principal	Immediate	

Board of Management

Subject/Title:	Audited Accounts for year end 31 July 2018
Meeting and date:	Board of Management – 18 December 2018
Extract from Minutes of the Joint Meeting of the Audit and Finance and General Purposes Committees held on 6 December 2018	

DRAFT AUDITED ACCOUNTS AND ANNUAL AUDIT REPORT 2017/18

a) Financial Statements for the year ended 31 July 2018

A report by the Director of Finance referred to the annual accounts which, as well as setting out and commenting on the financial position for the year end, provided information in relation to governance arrangements, performance and planning.

The Committee discussed the worsening financial position from 2015 to the date for the accounts. It was also realised that the deferred grant had, to some extent, shielded the College from a deficit in the previous year.

b) Draft Annual Audit Report to the Board of Management and the Auditor General for Scotland for the year ended 31 July 2018

Mr Reid confirmed that Ernst and Young's independent auditor's report provided an unqualified opinion that the financial statements

- gave a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council (SFC) of the state of the affairs of the College and Group as at 31 July 2018 and of its surplus for the year then ended;
- had been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- had been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

In relation to the wider scope audit, financial sustainability was assessed as amber and governance and transparency as green.

In relation to opinions on matters prescribed by Audit Scotland, Ernst & Young

1. were satisfied that the information within the Performance Report was consistent with the financial statements and had been prepared in accordance with applicable requirements
2. were satisfied that auditable part of the Remuneration and Staff Report had been properly prepared in accordance with regulations
3. concluded that in all material respects, the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers
4. concluded that through their review of the governance arrangements in the year, they had not identified any areas of non-compliance.

Mr Reid ran through the key sections within the draft report and referred to the three recommended management actions, namely

- Financial process improvements – Grade 2 – action to be completed by the end of March 2019
- Non-Profit Distribution Model – Grade 2 – action to be completed by end of July 2019
- Medium term financial plan – Grade 1 – action to be completed by end of March 2019.

Members of the Joint Committee noted that the outturn for the year to 2017/18 showed an operating deficit that had continued from the year 2016/17 (excluding pension credit). The External Auditors and the Joint Committee noted that this position was not sustainable, and nor was the increasing forecast deficit shown by the Financial Forecast Review. The Members noted that the Management Team were to present a financial strategy at the Board Away day in January that must present a clear course of action to reduce this operating deficit.

c. Letter of Representations

Mr Reid confirmed that this was a standard letter in connection with the audit of the financial statements. No additional representation was sought as Ernst & Young had no areas of concern or adjustment

Mr Reid was pleased to report that the audit process had run smoothly and he extended his gratitude to the Director of Finance and the finance team for their assistance and support during the course of the audit.

The Committee asked a number of questions and the Chair of the Audit Committee thanked the Auditors for a clear and concise audit report.

The Joint Committee **NOTED** the three recommendations within the Draft Annual Audit report for the year ended 31 July 2018 and **RECOMMENDED** it, together with the financial statements for the year ended 31 July 2018 and the letter of representations to the Board of Management for approval.

Board of Management

Subject/Title:	Covering Report on the College Financial Statements for the Year Ended 31 July 2018
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Joint Audit and Finance and General Purposes Committee
Meeting Date:	Thursday 6 December 2018
Date Paper prepared:	25 November 2018
Brief Summary of the paper:	To summarise the key points reported in the financial statements for the year ended 31 July 2018.
Action requested: [Approval, recommendation, discussion, noting]	To discuss the financial statements for the year ended 31 July 2018 and recommend to the full Board of Management for approval.
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance – adherence to the Financial Memorandum with UHI as RSB, compliance with various accounting requirements.
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	No		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	x	Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)	Until the Scottish Parliament have approved the annual accounts.		

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Covering Report on the Financial Statements 2017/18

Executive summary

The committee is requested to discuss the report and the Annual Report and Accounts for the Year Ended 31 July 2018, and thereafter recommend the same for approval to the Board of Management on 18 December 2018.

Background information

A key task in the annual calendar of activities for the Finance Department is the production of the financial statements for the year. With a financial year end of 31 July, much of this activity takes place over August and September. The external audit then commences late September / early October. This requires us to send data in advance of the audit team coming on site to scrutinise and test the validity of the information contained within the financial statements. External audit also check that we have complied with all relevant requirements e.g. the SFC Accounts Direction, and relevant accounting standards amongst others.

For the year ended 31 July 2018, we are required by SFC to ensure that our financial statements are approved, signed and with SFC by 31 December 2018.

As well as setting out the financial position for the year end, the financial statements provide information in relation to governance arrangements, performance and planning.

Annual Report and Accounts 2017/18

We have reported an operating deficit of £1,443,198 for the year ended 31 July 2018, compared to an operating surplus of £349,681 for the year ended 31 July 2017.

The table on page 16, takes the operating deficit and applies relevant adjustments to reflect the underlying position. For 2017/18, these adjustments return an operating surplus of £365k as against an operating surplus of £651k for 2016/17.

In the table, the depreciation figure is net of deferred capital grant released in 2017/18. The non-cash pension adjustments related to the accounting for pension costs required under FRS102. The final adjustment for NPD income reflects the element of funding for the unitary charge payment that relates to the portion of the charge that is treated as a capital repayment.

Within the Statement of Comprehensive Income, income has decreased slightly from £26,501,005 in 2016/17 to £26,334,746 in 2017/18. However, 2016/17 included an additional release of £1.596m of deferred capital grant to the Statement of Comprehensive Income due to the disposal of former campus sites.

Tuition fees and education contracts have increased from £3,828,431 in 2016/17 to £4,374,985 in 2017/18. This reflects our successful contracting activity with SDS for

various levels of apprenticeships and the increase in degree level full time student enrolments in 2017/18.

The increase in other income from £2,901,281 in 2016/17 to £3,141,750 is largely attributable to short course income.

Within the Statement of Comprehensive Income, expenditure has increased from £26,151,324 in 2016/17 to £27,777,944.

The significant rise in staff costs from £14,559,692 in 2016/17 to £15,818,251 is due to a number of underlying factors:

- increase in staff numbers from 351 FTE in 2016/17 to 368 FTE during 2017/18
- the first full year impact of the new teaching staff pay model resulting from national bargaining, which includes the second 25% transition from April 2018
- increase in FRS102 costs from £680k in 2016/17 to £903k in 2017/18

The increase in other operating expenses from £6,346,608 in 2016/17 to £6,799,274 in 2017/18 relates primarily to increased premises costs and research project costs.

Premises costs have increased from £1,266,007 in 2016/17 to £1,614,573 in 2017/18. Main areas of increase are electricity costs, repairs and maintenance and other costs associated with the former Longman campus.

Research project costs are funded from project income.

Within the balance sheet, there has been a reduction in fixed assets from £52,252,859 at the end of 2017/18 to £50,933,057 at the end of 2017/18. The former Longman campus is held on the balance sheet with a value which takes account of the anticipated costs of demolition.

In current assets, the year-end cash position of £4,060,499 at 31 July 2018 is an increase on the 31 July 2017 position of £3,763,193. However the debtors figure has increased from £451,536 in 2016/17 to £815,921.

The College ended the year with net current liabilities of £1,380,921, compared with net current liabilities of £2,902,768 in 2016/17, a decrease of £860,156. The decrease is attributable to the reduction in creditors due within one year.

The value of creditors falling due after one year has decreased from £44,916,894 in 2016/17 to £45,595,141 in 2017/18. This reduction reflects the capital repayment element of the unitary charge in 2017/18 and also the movement between deferred income and deferred grant income.

The decrease in provisions from £12,971,414 in 2016/17 to £6,781,410 in 2017/18 is a result of the decrease in pension provisions. A reduction in provision of £5,960,000 was required in respect of the defined pension liability relating to the LGPS as a result of the actuarial valuation.

The movements above result in an accumulated reserves position of (£2,824,415) for 2017/18, a large decrease on the 2016/17 position of (£8,538,217).

Inverness College Annual Audit Report

Year ended 31 July 2018

DRAFT

6 December 2018

Section	Appointed auditor responsibility	Pages
Executive summary		1-3
Financial statements accounting and audit matters	Provide an opinion on audited bodies' financial statements Review and report on, as appropriate, other information such as performance and accountability reports, including governance statement and remuneration report	4-13 5
Wider scope audit	Demonstrate compliance with the wider public audit scope by reviewing and providing judgements and conclusions on the audited bodies: <ul style="list-style-type: none"> ▸ financial position and arrangements for securing financial sustainability ▸ suitability and effectiveness of corporate governance arrangements 	15-17 18-19
Appendices	Undertake statutory duties, and comply with professional engagement and ethical standards: Appendix A: audited bodies' responsibilities Appendix B: independence and audit quality Appendix C: required auditor communications Appendix D: action plan Appendix E: summary of audit differences	21 22-23 24-25 26 27

About this report

This report has been prepared in accordance with Terms of Appointment Letter from Audit Scotland dated 31 May 2016 through which the Auditor General for Scotland has appointed us as external auditor of Inverness College (the College) for financial years 2016/17 to 2020/21. We undertake our audit in accordance with the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and our responsibilities as set out within Audit Scotland's Code of Audit Practice (the Code), issued on 26 May 2016.

This report is for the benefit of the College and is made available to the Auditor General and Audit Scotland (together the Recipients). This report has not been designed to be of benefit to anyone except the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.

Complaints

If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with Stephen Reid who is our partner responsible for services under appointment by Audit Scotland, telephone 0131 777 2839, email sreid2@uk.ey.com. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, or with how your complaint has been handled, you can refer the matter to Diane McGiffen, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN. Alternatively you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

1. Executive Summary

Purpose of this report

In accordance with the section 21 of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General for Scotland appointed EY as the external auditor of Inverness College (the College) for the five year period 2016/17 to 2020/21. We undertake our audit in accordance with the Code of Audit Practice (the Code), issued by Audit Scotland in May 2016; Auditing Standards and guidance issued by the Financial Reporting Council; relevant legislation; and other guidance issued by Audit Scotland.

This Annual Audit Report is designed to summarise our key findings and conclusions from our audit work. It is addressed to both members of the College and the Auditor General for Scotland, and presented to both College management and those charged with governance, identified as being the Board and the College's joint Audit and Finance and General Purposes Committee. After consideration by the College, this report is provided to Audit Scotland and published on their website.

We draw your attention to the fact that our audit was not designed to identify all matters that may be relevant to the College. Our views on internal control and governance arrangements have been based solely on the audit procedures performed in respect of the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

A key objective of our audit reporting is to add value by supporting the improvement of the use of public money. We aim to achieve this through sharing our insights from our audit work, our observations around where the College employs best practice and where processes can be improved. We use these insights to form our audit recommendations to support the College in improving its practices around financial management and control, as well as around key aspects of the wider scope dimensions of audit. These are highlighted throughout the report together with our judgements and conclusions regarding arrangements.

Scope and responsibilities

The Code sets out the responsibilities of both the College and the auditor. We provided details of these in our Annual Audit Plan, which was presented to the Audit Committee on 29 May 2018. We summarise these responsibilities in Appendix A.

Our Annual Audit Plan set out an overview of our audit scope and approach for the audit of the 2017/18 financial statements. We carried out our audit in accordance with the plan. We applied the materiality levels below to our audit, as outlined in our audit plan and based on our consideration of the key risks and issues facing the College and its financial statements. We reassessed materiality on receipt of the draft financial statements and at the conclusion of our audit work, and concluded the levels identified during our planning work remained appropriate.

- | | |
|---|----------|
| ▶ Materiality for our audit - no change to that reported in our Annual Audit Plan | £400,000 |
| ▶ Tolerable Error is our materiality applied at an individual account balance - no change | £200,000 |
| ▶ Reporting threshold, set in line with the requirements of the Code - no change | £20,000 |

Financial statement audit

We are responsible for conducting an audit of the financial statements of the College. We provide an opinion on the financial statements as to whether:

- ▶ they give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of affairs of the College as at 31 July 2018 and its deficit for the year then ended;
- ▶ they have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder issued by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We also review and report on other information prepared and published by the College along with its financial statements.

Wider scope audit

Our responsibilities extend beyond the audit of the financial statements. The Code requires auditors to provide judgements and conclusions on the dimensions of wider-scope public audit that are relevant for each body. As outlined in our audit plan, the College qualifies as a “smaller body” in line with Audit Scotland guidance, therefore our wider-scope work covers the arrangements in respect of financial sustainability and governance and transparency.

Key contacts

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Independence

We confirm that we have undertaken client and engagement continuance procedures, included in which is our assessment of our continuing assessment of our independence to act as your external auditor.

Financial statements audit

We [\[have issued\]](#) an unqualified audit opinion on the College’s financial statements. We have concluded satisfactorily in respect of each of the significant risks and audit focus areas identified in our Annual Audit Plan.

Management were unable to provide draft financial statements, including the Performance Report, Accountability Report and Remuneration and Staff Report in line with the agreed timetable. Delivery against the agreed timetable was impacted by a number of unforeseen finance team absences. We have agreed with management that, in line with good practice for the year end financial statements preparation and audit process, full draft financial statements will be provided before the start of the onsite audit work going forward. As part of the audit process, we made a number of minor suggestions for amendments to the draft financial statements to enhance their presentation and readability, and to ensure compliance with disclosure requirements.

Wider scope audit – key messages

We set out below our key messages in respect of each of the dimensions of public sector audit, along with our overall assessment of each of these in terms of red / amber / green. Our assessment is built on our consideration of the risks facing the College, the extent to which these are mitigated by the College’s processes and controls, and our assessment of management’s process in implementing recommendations from the 2016/17 audit, where appropriate.

Financial sustainability	<ul style="list-style-type: none"> ▶ The financial environment in which the College operates continues to be challenging, with significant uncertainty going forward around both key income and expenditure sources, in particular around future increases to staff costs through national bargaining and future SFC funding. ▶ The College has identified a significant underlying deficit in its latest forecast through the next five years. While management is sighted on this and has initiated a number of actions to address it, there is still significant work to be done. ▶ Management is aware of the need to develop a more robust medium term financial plan which is aligned to the College’s future strategic objectives and quantifies how it will address future underlying deficits. 	Amber
Governance & transparency	<ul style="list-style-type: none"> ▶ The College has in place a number of the key requirements for good governance and transparency. The College has noted full compliance with the Scottish Code of Good Governance. ▶ The College publicises Board and standing committee agendas, minutes and papers on their website on a timely basis and information, including financial performance is generally clear and concise. 	Green

2. 2017/18 financial statements audit

2. Summary of 2017/18 audit opinion



The detailed form and content of our audit report, and the requirements underpinning the report, are set out in guidance issued by Audit Scotland. This covers our reporting requirements in accordance with International Standards on Auditing (UK), plus those matters prescribed by the Code.

Element of Audit opinion	Nature of opinion and basis for that
Opinion on financial statements	Unqualified opinion
<ul style="list-style-type: none"> ▶ Truth and fairness of the state of affairs of the College at 31 July 2018 and of the deficit for the year then ended ▶ Preparation of the financial statements in accordance with the relevant financial reporting framework 	<ul style="list-style-type: none"> ▶ Performance of audit procedures to respond to our assessed risk of misstatement, including significant risks ▶ Accounting policies are appropriate and estimates are reasonable ▶ Completion of financial statement disclosure checklists / consideration of relevant guidance issued by Audit Scotland
Conclusions relating to the going concern basis of accounting	No matters to report
<ul style="list-style-type: none"> ▶ The use of the going concern basis of accounting used in the preparation of the financial statements is not appropriate 	<ul style="list-style-type: none"> ▶ Supported by our core financial statements audit work, supplemented by our wider scope audit procedures in respect of financial sustainability
Other information in the financial statements	No matters to report
<ul style="list-style-type: none"> ▶ We are required to consider whether the other information in the financial statements is materially inconsistent with the annual accounts or our knowledge obtained in the audit 	<ul style="list-style-type: none"> ▶ Review of committee minutes and papers / discussions with management / understanding of the business
Opinions on matters prescribed by Audit Scotland	Unqualified opinions
<ul style="list-style-type: none"> ▶ The audited part of the Remuneration and Staff Report has been properly prepared in accordance with applicable regulations ▶ Information in the Accountability Report / Annual Governance Statement is consistent with the financial statements, and prepared in accordance with the relevant guidance 	<ul style="list-style-type: none"> ▶ We agreed the form of the report to the regulations and agreed the disclosures to underlying accounting records and supporting schedules ▶ We reviewed the content of the narrative statements to the information known to us in the audit, and against the requirements of the guidance
Matters on which we are required to report by exception	No matters to report by exception
<ul style="list-style-type: none"> ▶ Whether adequate accounting records have been kept ▶ Whether financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records ▶ Whether we have not received the information we require for our audit 	<ul style="list-style-type: none"> ▶ We were provided with all the information we required ▶ We have been able to agree information to the accounting records

2. 2017/18 financial statements audit



The annual financial statements enables the College to demonstrate its accountability for the resources at its disposal, and its overall performance in the application of those resources during the year. They also enable the College to demonstrate openness and transparency in its governance and remuneration arrangements.

Financial Statement preparation 2017/18

Compliance with requirements

As part of our oversight of the College's financial reporting process, we report on our consideration of the quality of working papers and supporting documentation prepared predominantly by the finance team to support the audit.

The financial statements were prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder issued by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

Presentation and quality of financial statements

Management were unable to provide draft financial statements, including the Performance Report, Accountability Report and Remuneration and Staff Report in line with the agreed timetable. Delivery against the agreed timetable was impacted by a number of unforeseen finance team absences. We have agreed with management that, in line with good practice for the year end financial statements preparation and audit process, full draft financial statements will be provided before the start of the onsite audit work going forward.

The draft financial statements provided by management were of a reasonable quality, in line with the standard provided during 2016/17. Updates were made by management to reflect the new requirements of the SFC 2017/18 Accounts Direction. We made a number of minor proposals for amendments to enhance the presentation and readability, and to ensure fuller compliance with disclosure requirements.

Management responded positively to audit comments and addressed all matters in the final version of the financial statements. The readability and usefulness to the reader of the financial statements should also continue to be an area of focus for management.

Audit differences

We identified seven audit differences arising from our audit work, including two differences relating to yearend estimates where additional information became available subsequent to management's initial preparation of the financial statements. These have been adjusted by management and are outlined in more detail in Appendix E. There were no unadjusted audit differences.

Quality of supporting working papers

Throughout the course of our audit we identified a number of areas where supporting documentation could be improved or where balances in the financial statements had no supporting documentation. Mainly this reflected a number of limitations with the College's current finance system. In our view management has made improvements in its processes following the appointment of the new finance manager, however further improvements are required, in particular in relation to the analysis of yearend debtors and creditors, as well as more general SAM and SIT system processes.

Management recognises the need for ongoing improvement, and a restructuring of the finance team is being implemented to provide support. A significant factor in any restructure will be the development of the underlying finance systems the College uses. The UHI finance system upgrade project continues to be significantly behind timetable. There has been numerous delays, with several "go live dates" being missed largely due to under estimations by the supplier of the original scope of work and insufficient third party resources to complete the system design. The system configuration is 80-85% complete and management anticipates the system will be operational by 1 August 2019. Management should ensure any restructuring takes place in alignment with completion of the new system to ensure the future finance team model is best placed to implement the new system and fully benefit from all improvements enabled through it.

Recommendation one

The annual financial statements enables the College to demonstrate its accountability for the resources at its disposal, and its overall performance in the application of those resources during the year. They also enable the College to demonstrate openness and transparency in its governance and remuneration arrangements.

Financial Statement preparation 2017/18: Other areas

Arms Length Foundation (ALF)

As a result of the reclassification of Scotland's Colleges from 1 April 2014, an Arm's Length Foundation (ALF) was set up in order that any reserves were not returned to the Scottish Government, in the case of Inverness College the Scottish Colleges Foundation was used to transfer reserves through a donation. A total of £3.3 million was transferred to the Foundation by the College since it was established. At 31 July 2018 approximately £2,562,000 remained in the ALF to be awarded at the ALF's discretion to meet its charitable objectives.

We have assessed the independence of the ALF for the year ended 31 July 2018 to consider the requirement for consolidation of the ALF into the College financial statements. We have concluded that the ALF is independent of the College based on a number of factors:

- ▶ There is a board of trustees of the ALF which is independent of the College
- ▶ All applications for funding from the ALF are reviewed thoroughly against the ALF's charitable objectives
- ▶ Day to day management of the ALF is not delegated to, and does not involve management at the College

Should it be determined that the College has significant influence or control of the ALF, management would need to consider the accounting implications for the College, and potentially consolidate the ALF or account for it as an associate on an equity basis. This should be an area of ongoing review on an annual basis as part of the yearend financial statements preparation process.

2. 2017/18 financial statements audit



The annual financial statements enables the College to demonstrate its accountability for the resources at its disposal, and its overall performance in the application of those resources during the year. They also enable the College to demonstrate openness and transparency in its governance and remuneration arrangements.

Opinions on matters prescribed by the Audit Scotland

Performance Report: In accordance with the Code, we review the information contained within the Performance Report and confirm that this is consistent with the information reported within the financial statements. Audit Scotland requires us to also express an opinion on whether the Performance Report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

We are satisfied that the information within the Performance Report is consistent with the financial statements and has been prepared in accordance with applicable requirements.

Accountability Report, including the Governance Statement: Audit Scotland requires us to read the information in the Governance Statement and express an opinion on whether it is consistent with the financial statements and that it has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

We have reviewed the Governance Statement. See further commentary within governance and transparency section of wider scope. We are satisfied that the information with the Accountability Report is consistent with the financial statements and has been prepared in accordance with applicable requirements.

Remuneration and Staff Report: Auditors are required by the Code to audit the disclosures of remuneration and pension benefit, pay bands, and exit packages and express a separate opinion within their independent auditor's report on whether they have been properly prepared in accordance with the regulations.

We are satisfied that auditable part of the Remuneration and Staff Report has been properly prepared in accordance with regulations.

Regularity Opinion: The Board is responsible for ensuring the regularity of expenditure and income. Auditors are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

In all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

2. Significant audit risks



Significant risk - risk of fraud in income and expenditure recognition: ISA (UK) 240 requires us to make a rebuttable presumption that the fraud risk from income recognition is a significant risk. In the public sector, we extend that to consider the risk of material misstatements by manipulation of expenditure.

Our overall approach

As set out in our Annual Audit Plan, given the nature of funding to the College from the Scottish Funding Council (SFC), we rebutted the assumed fraud risk in respect of this income stream. However we recognised a revenue recognition risk for tuition income and other material income in respect of possible manipulation of cut-off around the financial year end.

We also recognised the same risk around incorrect recognition of non-pay expenditure in line with Practice Note 10.

What did we do in response to the significant risk?

We undertook the following procedures as part of our audit:

- ▶ Reviewed and tested revenue and expenditure recognition policies against the relevant accounting standards and the SORP
- ▶ Reviewed and discussed with management any accounting estimates on revenue or expenditure recognition for evidence of bias
- ▶ Developed a testing strategy in respect of material revenue and expenditure streams:
 - ▶ For tuition fees and education contracts, we performed an analytical review of the key movements in the year and substantive testing across a sample of contracts to ensure appropriate recognition
 - ▶ For SFC and other funding body grant income we reviewed all material grant funding recognised in the year for any indicators of either claw-back or that the terms and conditions of the financial memorandum have not been complied with in all material respects
 - ▶ For other income and expenditure, we performed an analytical review of movements and selected key item and representative samples for testing, and obtained the third party evidence along with confirmation of the balance being received / receivable by the College
- ▶ We performed focused additional testing around income and expenditure transactions posted nearer to the year end to gain comfort that any material items are recorded in the correct accounting period. In particular we focused on material income transactions incurred after 31 July, but included in the 2017/18 financial ledger, and material expenditure transaction incurred before 31 July but deferred into the 2018/19 financial ledger
- ▶ We reviewed and tested a sample of debtor balances at the year end, including any material balances. We undertook an assessment of aged balances held on the balance sheet at year end including investigation of unusual items, such as those past payment due date
- ▶ We tested an extended sample of year end income and expenditure accruals held on the balance sheet at 31 July. We obtained evidence to support management's conclusion that balances related to transactions in respect of the financial year in question
- ▶ Where we found audit differences (outlined at appendix E), we performed additional testing to ensure errors were one off and did not indicate further related differences

What are our conclusions?

Our testing identified a number of misstatements relating to revenue and expenditure recognition, which management corrected in the updated financial statements. These misstatements were above our reporting threshold for differences but not material to the financial statements. We did not identify any further adjustments through supplementary testing. Given the nature of the audit differences noted, with many having the impact of increasing income for the year, we are comfortable these did not represent attempts to manipulate the College's financial position but rather are reflective of deficiencies in reporting and financial statement preparation processes due to unforeseen staff absences. We did not identify any areas of significant estimation or judgement as part of our audit work in these areas.

2. Significant audit risks (cont.)

Significant risk – management override: As identified in ISA 240, management is in a unique position to perpetrate fraud in its financial reporting because of its ability to manipulate accounting records directly or indirectly by overriding controls that otherwise appear to be operating effectively.

We respond to this risk on every engagement

Audit procedures performed	What did we find?
We gave consideration to the risk of fraud, inquiring of management about their assessment of the risks of fraud and the controls put in place to address those risks. We also updated and developed our understanding of the oversight of those charged with governance over management's processes over fraud.	<p>We have not identified any material weaknesses in controls or evidence of material management override.</p> <p>As part of the audit process we wrote to the chair of the Audit Committee to make inquiries around both the governance arrangements at the College and any instances or possible non-compliance identified in the year. Those charged with governance identified through their response no instances of non-compliance. They also did not draw to out attention any significant matters or material weaknesses or concerns in respect of the College's governance arrangements.</p>
Test the appropriateness of manual journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements	We obtained a full list of journals posted to the general ledger during the year, and used our bespoke data analysers to identify any unusual journal types or amounts based on our identified risk areas for the audit. We then tested a sample of these journals, understood their purpose and agreed and corroborated them to supporting documentation.
Review accounting estimates for evidence of management bias, including management's retrospective consideration of prior year estimates.	We identified and considered the appropriateness of key accounting estimates, including provisions, and their susceptibility to bias. Management has disclosed their consideration of the critical accounting judgements and key estimates in the financial statements. We have reviewed these and agree with the detail of the assessment performed.
Evaluate the business rationale for any significant unusual transactions	We did not identify any significant unusual transactions outside the normal course of business.
Consistency and application of accounting policies / overall presentation of financial information	We consider the accounting policies adopted by the College to be appropriate. There are no significant accounting practices which materially depart from what is acceptable under FRS 102 or the SORP.

What are our conclusions?

We have not identified any material weaknesses in the design and implementation of controls around journal processing. We did not identify any instances of evidence of management override of controls.

There was no disagreement during the course of the audit over any accounting treatment or disclosure. We encountered no significant difficulties in the audit through our interaction with management.

2. Other inherent risks

Valuation of property, plant and equipment: Our overall approach

The value of property, plant and equipment ("PPE") represents a significant balance on the College's balance sheet and is subject to valuation changes, depreciation charges and possible impairment. The total value of the College estate at 31 July 2018 was £50.9 million. The last formal valuation of the new campus was undertaken on 1 August 2015 (in the process of conversion from old UK GAAP to FRS 102), and will be due again in the 2018/19 financial year. Management has performed an interim desktop valuation of the former Longman campus building in the year.

As set out in our Annual Audit Plan, given that a number of assumptions are used in valuing property, plant and equipment, we assigned a higher inherent risk to the valuation of PPE at 31 July 2018.

What did we do in response to the risk?

We undertook the following procedures as part of our audit:

- ▶ We have reviewed the desktop valuation report prepared by the external valuer for the former College Building on Longman Road and considered any accounting implications. As part of this we have challenged the assumptions used by the valuer to ensure they are appropriate and consistent with our expectations and understanding of the estate
- ▶ We reviewed the College's backlog maintenance plans, including consideration of identified maintenance as a possible indicator of impairment within the estate, and whether backlog maintenance expenditure in the year had been correctly accounted for as capital or revenue expenditure
- ▶ We agreed the balances disclosed in the financial statements to underlying accounting records, in particular the College's fixed asset register
- ▶ We tested a sample of additions and disposals in the year, considering the appropriateness of capitalisation in line with the College's accounting policies and to ensure the correspondingly replaced assets had been appropriately disposed
- ▶ We considered any material capital grant income to supporting documentation and consideration of the appropriateness of recognition against the terms of any grant conditions, the College's own accounting policies and the applicable accounting standards
- ▶ We have recalculated the depreciation charge for the year on the assets by assets basis

What are our conclusions?

The Longman Inverness Campus Building valuation has identified a market value of £2.5 million on the basis of the clear ground, i.e. after the demolition of the campus building. Demolition costs, that will be fully funded by the SFC, are currently forecast to be £1.3 million, with a net book value as of 31 July 2018 of £1.2 million. No adjustments to the carrying value was therefore made on the basis that current net book value is materially in line with market value after deducting the costs of demolition.

Our depreciation testing has identified that a full year's depreciation is charged for the assets obtained/transferred to the fixed assets at any point in the year. Management has agreed to make appropriate amendments in the financial statements' accounting policy note to reflect these arrangements.

Our testing has not identified any material misstatements relating to property, plant and equipment. We concluded that management has appropriately valued the estate based on the requirements of the FREM and did not identify any indicators of impairments at the yearend, which is in line with our expectations given the recent build of the new campus.

2. Other inherent risks



Capital financing arrangements: Our overall approach

In July and August 2015, the College procured its new campus buildings at Balloch and Inverness using the Scottish Futures Trust's Non-Profit Distributing (NPD) model. Under the NPD arrangement, the College makes monthly service charge "unitary charge" payments which include the capital element of the loan funding together with interest, facilities management and building lifecycle costs. As at 31 July 2018 the present value of future lease payments are reported as £36.8 million (2016/17: £37.4 million). Given the material value of the NPD liability, together with the complexity of the associated accounting treatment, we considered this as an area of higher inherent risk.

What did we do in response to the risk?

In response to the inherent risk we performed the following audit procedures:

- ▶ Reviewed the capital funding transactions, including SFC capital grants, against the requirements of FRS 102 and SORP
- ▶ Reviewed the College's recognition of assets held for disposal, including the valuation of these within the financial statements and the accounting treatment of disposals of the former campus during the year
- ▶ Performed test of details over the transactions posted in the financial year, agreeing to supporting documentation from third parties
- ▶ Utilised our internal specialists to consider the accounting treatment, including review of the key assumptions driving the model, and disclosures against the requirements of the SORP and FRS 102.
- ▶ Agreeing disclosures made in the financial statements to the College's NPD model.

The NPD model, and assumptions contained therein, does not factor in a contingent rent element which we would expect in such an arrangement. Furthermore, the model has the effect of smoothing lifecycle costs over the term of the agreement. Consequently, there is a risk future accounting recognition may not fully reflect the substance of the transaction in accordance with FRS 102. In 2016/17 we have made a recommendation for management to review the model and accounting treatment to ensure it continues to meet the requirements of FRS 102. This has yet to be implemented.

While we are satisfied that the NPD model and subsequent recognition within the financial statements is materially consistent with our expectations, we have outlined a recommendation below in respect of future arrangements.

What are our conclusions?

We are satisfied that the NPD liability and associated accounting treatment and disclosure is free from material misstatement for the year ended 31 July 2018. Management should ensure it reviews the accounting model annually to consider the assumptions contained, whether these remain appropriate, and in particular whether the model should incorporate contingent rent within the calculation in the future.

Recommendation two

2. Other inherent risks (cont.)



Accounting for retirement benefits: Our overall approach

In line with accounting standards, the College recognises the cost of retirement benefits provided to its staff in the reported cost of service when they are earned by the employee and not when the pension benefits are actually paid.

The College's employees belong to two principal pension schemes, the Scottish Teachers Superannuation Scheme (STSS) and the Highland Pension Scheme (LGPS). The present value of Unfunded Obligations in relation to early retirements agreed in previous years is £2 million (2016/17: £2.2 million). As at 31 July 2018, the College's share of the pension scheme net liability is £4.3 million (2016/17: £10.3 million).

The information disclosed is based on the FRS 102 report issued to the College by the actuary appointed by the Highland Council Pension Fund. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do in response to the risk?

As a result of the thematic review performed by the Financial Reporting Council, there has been an increase in focus on accounting for retirement benefits and, as such, auditors have additional requirements to address in completing and concluding on the valuation of these balances. We undertook the following procedures as part of our audit:

- ▶ Obtained the actuarial report at the year end date for the scheme and utilised our in-house experts to assess both the robustness of the methodology used to derive the key actuarial assumptions, and the reasonableness and consistency of the assumptions underpinning such reports
- ▶ We wrote to the actuaries of the pension scheme to confirm their independence and expertise to ensure this was appropriate and sufficient for the purposes of preparing their FRS 102 report
- ▶ We wrote to the auditor of the Pension Fund to gain assurance over the completeness, existence and valuation of the Fund's assets at 31 March 2018, as well as the processes and controls to ensure accurate information is obtained in respect of the College's share of fund assets
- ▶ We performed additional testing on the College's share of the Fund pension assets at 31 July, performing roll forward procedures on its share of assets from 31 March to the College balance sheet date
- ▶ We reviewed the calculation of the College's valuation of future early retirement liabilities at 31 July and completed integrity testing over the inputs into the calculation

What are our conclusions?

We concluded that we were able to rely on the work of management's specialists - the pension fund actuaries - and were satisfied that the actuarial assumptions used in the preparation of the FRS 102 report were appropriate. These include the assumptions directed to be used by management (such as assumptions over future salary cost increases).

We obtained relevant assurances from the pension fund auditor to support our conclusions.

Our testing has not identified any material misstatements relating to future early retirement liabilities.

3. Wider scope audit


Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Amber

- ▶ The financial environment in which the College operates continues to be challenging, with significant uncertainty going forward around both key income and expenditure sources, in particular around future increases to staff costs through national bargaining and future SFC funding.
- ▶ The College has identified a significant underlying deficit in its latest forecast through the next five years. While management is sighted on this and has initiated a number of actions to address it, there is still significant work to be done.
- ▶ Management is aware of the need to develop a more robust medium term financial plan which is aligned to the College's future strategic objectives and quantifies how it will address future underlying deficits.

Elements of financial sustainability, and our assessment of the College's arrangements

We consider whether:

- 
- ▶ The College's revenue and capital outturn for 2017/18 was in line with the approved budgets, with material changes to budgets identified and reported?
 - ▶ The College has a medium term financial strategy and plan which takes into account risks and uncertainties?
 - ▶ The College has arrangements to address any identified funding gaps?

The context for financial sustainability

In June 2018, Audit Scotland published their report *Scotland's Colleges 2018*. This report provided an overview of the college sector in Scotland and provided an update on college finances across the sector. The report highlighted that while the college sector's underlying financial position improved in 2016-17, several colleges face significant financial challenges. Scotland's 20 incorporated colleges reported an overall underlying financial surplus for 2016-17 of £0.3 million. This compares to an underlying deficit of £8 million in 2015-16. Across the sector, the cash held by colleges increased by 13 per cent in 2016-17 and the net value of their assets, such as land and property, compared against financial liabilities, such as pension costs, grew by 10%. However, these sector-wide increases mask significant variations between colleges.

The report noted that several factors pose a risk to the sector's financial sustainability, including: the future impact of national bargaining for support staff; uncertainties around long-term funding of improved employment terms; the cost of maintaining buildings and land; and the potential impact of leaving the European Union.

The Scottish Funding Council's 2017 estates condition survey indicates that college buildings require urgent and significant investment. The survey estimates a backlog of repairs and maintenance over the next five years of up to £360 million. These figures exclude the six campuses that have been financed in recent years through public-private partnerships, with Inverness College being one of these. The SFC is providing £27 million of capital funding to colleges in 2018/19 to cover the very high priority needs identified in the condition survey.

2017/18 College financial position

The 2017/18 College budget was approved by the Board in June 2017. The College budgeted for a break even underlying position before the accounting for deferred capital grants and net depreciation charge. The budget recognised significant uncertainties around the Scottish Government's funding of national pay bargaining and the potential impact this could have on the College's cost base. The College has reported an actual accounting deficit of £1.4 million for the year (2016/17: £166,000 surplus). Following actuarial gains of £7.2 million, the College reported total comprehensive income of £5.7 million (2016/17: £2,000 surplus).

Elements of financial sustainability, and our assessment of the College's arrangements (cont.)

2017/18 College financial position (continued)

The College has reported an underlying surplus in the year of £365,000 against a break even budget. As part of the submission of its financial forecast return ("FFR") for 2018/19, management outlined the key movements in the year between the College's 2017/18 budget and actual position. It noted a number of movements in both income and expenditure throughout the year against budget. We have reviewed the movements against our understanding of the College financial position from our year end audit work, and our review of the budget from the prior year audit work around financial sustainability. We considered the variance between actual and budgeted financial performance to be reasonable given the timing of variances crystallising throughout the year. We do not consider the variances indicative of underlying inaccuracies in the College's budget process.

Medium term financial strategy and plan

The College's forecast underlying financial position through to 2023, outlined in its FFR, continues to deteriorate year on year, forecasting a cumulative £4.6 million underlying deficit over the next five years. £3.5 million of this deficit relates to planned payments for the NPD arrangement, with a £1.1 million deficit forecast after accounting for this. We have outlined the forecast position through to 2023 below:

Year	18/19 / £000's	19/20 / £000's	20/21 / £000's	21/22 / £000's	22/23 / £000's	Total / £000's
Accounting surplus / (deficit)	(718)	(1,069)	(780)	(1,310)	(1,599)	(5,476)
Underlying surplus / (deficit)	(257)	(627)	(567)	(1,284)	(1,895)	(4,630)
Impact of NPD payments	580	639	702	771	846	3,538
Revised underlying surplus / (deficit)	323	12	135	(513)	(1,049)	(1,092)

In preparing this forecast, management has noted a number of significant assumptions that could be subject to significant sensitivity over the course of the five year period:

- ▶ Forecast SFC income is in line with the latest correspondence and guidance shared by UHI in its role as the regional strategic body. However this is not confirmed by the SFC beyond 2018/19 and as the largest source of income is a significant source of uncertainty in future forecasts.
- ▶ Assumption that staff costs will increase by 3% year on year in the last three years of the forecast period, compared to the 2% forecast assumption proposed by the SFC.
- ▶ Assumption that tuition fee income and commercial income, and other operating expenditure, increase in line with inflation over the period of the FFR.

Assessment of the College's Financial Forecast Return

We have reviewed the College's FFR submitted to the SFC for 2018/19 through 2022/23, as well as the underlying assumptions underpinning the return. The forecast submitted is based on robust management workings for the forecast period and represent management's best estimate of the future position for the five years from 1 August 2018.

Elements of financial sustainability, and our assessment of the College's arrangements (cont.)

The College's approach to addressing funding gaps going forward

As outlined, the College is currently forecasting a significant underlying deficit across the five year period through 2022/23. Good practice in respect of ensuring financial sustainability for the College would dictate that management has identified how it intends to address this gap across the five year period, in the form of a medium term financial plan. This would be aligned to both the FFR and the College's own strategic vision and operational plans to ensure that it is both achievable and that the College's strategy is not impacted by any proposed savings.

Management is aware of the financial shortfalls being forecast and is in the process of developing a finance strategy through to 2023. This has been initially reviewed by the Board and is being updated to reflect feedback, including the incorporation of scenario planning into the strategy. This will be further updated at scheduled Board away days and management aims to finalise the revised strategy early in 2019. The strategy includes, among other objectives, aims to increase income from fee paying students and achieve efficiencies through better working with UHI. While the development of this strategy is a good start to more robust financial forecasting and management, it is still to be aligned to the College's strategic vision and a medium term financial plan that reconciles to the submission within the FFR.

It is important that management finalises this process as a priority with a view to identifying the savings required to address the forecast underlying deficit. This needs to be communicated with the College's regional strategic body, along with any forecast unresolved deficits, in a timely manner, and not just through the annual FFR process.

Recommendation three

Focus on EU withdrawal

Withdrawing from the European Union will have implications for the college sector. In October 2018 Audit Scotland published a paper setting out the key issues for the public sector. The issues were identified around the three themes of people, finances and rules and regulations.

The risks and opportunities presented by EU withdrawal will vary markedly between organisations. Some parts of the public sector are already experiencing an impact. Audit Scotland expects all public bodies to be assessing the potential impact of EU withdrawal on their organisation, and identifying any specific risks and how they will respond to them.

Discussions with management and review of Board papers has confirmed that the College is sighted on Brexit as likely to have an impact on both the Further Education and wider College sector, while recognising uncertainty as to the detail behind those risks. We have confirmed as part of our review of the College's FFR that it does not assume any future income through EU grant funding from 2019/20.

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.

Green

- ▶ The College has in place a number of the key requirements for good governance and transparency. The College has noted full compliance with the Scottish Code of Good Governance.
- ▶ The College publicises Board and standing committee agendas, minutes and papers on their website on a timely basis and information, including financial performance is generally clear and concise.

Elements of governance and transparency, and our assessment of the College's arrangements

We consider whether:

- ▶ Is the governance framework is sound and arrangements are operating effectively?
- ▶ Is there effective scrutiny, challenge and transparency on decision making?
- ▶ Is the Governance Statement complete and does it reflect key findings from audit, scrutiny and inspection?



Governance and transparency

While we have not identified any significant risks in relation to the College's governance arrangements through our audit planning, we consider the adequacy and effectiveness of the College's governance arrangements as part of our audit work, and the appropriateness of the related disclosures made in the financial statements around governance and transparency.

The Board is responsible for establishing robust governance arrangements. This includes ensuring effective systems of internal control, including arrangements to safeguard public money, and compliance with applicable laws and regulations.

The College has in place a number of the key requirements for good governance and transparency. We have reviewed Board minutes and papers and found these to set out clearly the matters considered and discussed. Standing Orders regulate how the business of the College is conducted. The Board has approved detailed terms of reference for its standing committees. The College publicises Board and standing committee agendas, minutes and papers on their website on a timely basis and information, including financial performance is generally clear and concise.

The College has a robust approach for keeping policies and procedures up to date, including arrangements for identifying procedures that require to be updated. Through our review of policies we identified that the *Staff Recruitment and Selection* policy is currently overdue for review and updating. However, we were provided with evidence that this was a one off delay and action was already underway to address the matter.

Risk management

The College's approach to risk management is set out within the risk management policy. This was last reviewed and updated in March 2018. The College's risk register is considered by the senior management team on a routine basis and reviewed by the Audit Committee at each meeting, and periodically by the Board, as appropriate.

Audit Scotland national reports

It is important that the College has embedded arrangements to ensure that consideration is appropriately given to national reports published by Audit Scotland. This should include ensuring that management has evaluated the implications for the College and that the reports and assessment are shared with the Board. Discussions with management highlighted that national reports are reviewed by management and the impact on the College is considered. These are taken to the Board as appropriate.

Elements of governance and transparency, and our assessment of the College's arrangements (cont.)

Internal audit

The College's internal audit service provides an important source of assurance to inform management and the Board's assessment of the College's governance arrangements. Internal audit's opinion for the year was based on its agreed audit plan, as approved by the Audit Committee. For 2017/18 the Internal Auditor's annual statement of assurance concluded:

"With the exception of our review on Data Protection, whereby we concluded that further work is required to ensure robust processes, the risk management activities and controls in the areas which we examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements. We also note that the necessary control improvements required from our review on Data Protection have been implemented by management at the time of this report.

Based on our verification reviews and sample testing (and with the exceptions noted above), the risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review".

Part of internal audit's work in the year was the review of the implementation of outstanding recommendations. As at October 2018, 14 of these recommendations had been fully implemented, 6 had been partially implemented, and one recommendation was not implemented by management. Internal Audit conclude that "on the basis of follow up work and additional commentary provided by management on planned implementation actions we can take reasonable assurance that management's resolve to implement previously agreed recommendations is sound".

Governance Statement

We reviewed the Governance Statement within the financial statements against the requirements outlined in the SFC's 2017/18 Accounts Direction. This includes the requirement to conclude on the College's compliance with the Scottish Code of Good Governance, or to explain any areas of non-compliance along with mitigating actions and plans to address. We also considered management's arrangements for its own self-assessment of compliance with the Code. Management chose not to complete the checklist of compliance provided by the regional strategic body in the year, noting that it had completed this exercise when the Scottish Code of Good Governance was implemented in 2016, with areas of non-compliance identified being addressed since that period.

The College financial statements noted full compliance with the Code of Good Governance. Through our review of the governance arrangements in the year we have not identified any areas of non-compliance.

Enquiries of those charged with governance

During 2017/18 we formally wrote to the chair of the Audit Committee to make inquiries around the College's governance arrangements, including consideration by those charged with governance in respect of compliance with laws and regulations; identification of fraud, error and breaches of internal control; and material litigation and claims. We considered the response received from the chair of the Audit Committee on 21 September against our wider understanding of the College and other inquiries made through the year. No significant matters were noted that would have an impact on the financial statements in 2017/18.

Severance payments

All severance payments made by the College to employees are required to be formally approved by both management and an appropriate governance body (usually the Remuneration Committee), and calculated in line with a robust process. As part of our audit we consider the process for any payments made in the year. There were no severance payments made during the 2017/18 (2016/17: nil).

Appendices

A - Code of Audit Practice: responsibilities

B - Independence and audit quality

C - Required communications

D - Action plan

E - Summary of audit differences

In our Annual Audit Plan, we provided a summary of the responsibilities on audited bodies falling within the public sector audit framework, as set out in the Code of Audit Practice (the Code).

Responsibilities of audited bodies

Corporate governance	Each body, through its chief executive or accountable officer, is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Audited bodies should involve those charged with governance (including audit committees or equivalent) in monitoring these arrangements.
Financial statements and related reports	<p>Audited bodies must prepare an annual report and accounts containing financial statements and other related reports. They have responsibility for:</p> <ul style="list-style-type: none"> ▶ preparing financial statements which give a true and fair view of their financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation. ▶ maintaining accounting records and working papers that have been prepared to an acceptable professional standard and support their financial statements and related reports disclosures. ▶ ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority. ▶ maintaining proper accounting records. ▶ preparing and publishing, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements. Management commentary should be fair, balanced and understandable and also clearly address the longer-term financial sustainability of the body. <p>Management, with the oversight of those charged with governance, should communicate clearly and concisely relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework.</p> <p>Audited bodies are responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at their disposal. They are also responsible for establishing effective and appropriate Internal Audit and risk-management functions.</p>
Standards of conduct / prevention and detection of fraud and error	Audited bodies are responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption and also to ensure that their affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.
Financial position	<p>Audited bodies are responsible for putting in place proper arrangements to ensure that their financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> ▶ such financial monitoring and reporting arrangements as may be specified ▶ compliance with any statutory financial requirements and achievement of financial targets ▶ balances and reserves, including strategies about levels and their future use ▶ how they plan to deal with uncertainty in the medium and longer term ▶ the impact of planned future policies and foreseeable developments on their financial position.
Best Value	The Scottish Public Finance Manual sets out that accountable officers appointed by the Principal Accountable Officer for the Scottish Administration have a specific responsibility to ensure that arrangements have been made to secure best value.

B. Independence and audit quality



Professional ethical standards, and the Terms of our Appointment, require us to communicate all significant facts and matters that have a bearing on EY's objectivity and independence as auditor of the College.

What we are required to communicate

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY), its directors and senior management and affiliates, and you, including all services provided by us and our network to you, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 August 2017 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Confirmations

We confirm that there are no changes in our assessment of independence since our confirmation in our Annual Audit Plan, dated May 2018.

We complied with the Financial Reporting Council's Ethical Standards and the requirements of Audit Scotland's Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that management and members of the Board consider the facts known collectively to you and come to a view. If you would like to discuss any matters concerning our independence, we will be pleased to do this at the meeting of the Audit Committee on 6 December 2018.

Audit fees - payable in the respect of the year ended 31 July 2018

Component of fee:	2017/18	2016/17
Auditor Remuneration - expected fee	£14,370	£14,230
Pooled Costs	£920	£890
Contribution to Audit Scotland costs	£800	£810
Total fee	£16,090	£15,930

Audit Quality

International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.

The EY 2018 UK Transparency Report can be accessed on our website at www.ey.com/uk/en/about-us/ey-uk-transparency-report-2018. This material is published to provide a timely and relevant source of information about EY in general, and our audit business in particular.

The disclosures are extensive. For example, they explain our outlook and how we are structured and governed, including the role of our Independent Non-Executives and how we apply the requirements of the UK's Audit Firm Governance Code. We refer to the quality of our audits and our commitment to recruiting, developing and diversifying our people and talent pool. We also explain how we manage our risks and remain innovative and technologically advanced in what we do and how we do it.

Maintaining high audit quality across all of our engagements is of paramount importance to us. Our transformational Audit Quality Programme continues and is a part of the global EY Sustainable Audit Quality Programme (SAQ).

Our Audit Quality Board (AQB) continues to oversee all matters relating to audit quality and sets the agenda for the Audit Quality programme. The AQB meets monthly and also holds an annual strategy session. The AQB reports to the EY UK Board. The AQB receives regular updates on regulatory matters, results of internal and external reviews, results of root cause analysis, resourcing, the SAQ programme and pursuit approvals, as well as a comprehensive dashboard on quality measures.

Our Audit Quality Support Team (AQST), which started within the SAQ programme, reviews 40 to 50 audits each audit cycle providing challenge and guidance to the engagement teams. These are in-depth reviews carried out by experienced auditors independent of the audit team. AQST reviews enhance the quality of both the audit under review and other audits on which team members apply the lessons learned. The AQST has now become a business-as-usual function.

Audit Scotland – Audit Quality Framework / Annual Audit Quality Report

Audit Scotland's Appointments and Assurance Team are responsible for applying the new Audit Quality Framework across all financial audits and performance and Best Value audits. This covers the quality of audit work undertaken by Audit Scotland staff and appointed firms. The team are independent of audit delivery and provide assurance on audit quality to the Auditor General and the Accounts Commission.

We support Audit Scotland in their commitment to reporting on audit quality through responding to requests for information and providing the results of internal quality reviews undertaken in respect of relevant public sector audits in Scotland.

The most recent audit quality report which covers our work at the College since appointment can be found at: www.audit-scotland.gov.uk/uploads/docs/report/2018/as_audit_quality_1718.pdf.

Required communication	Our reporting to you
Terms of engagement / Our responsibilities Confirmation by the Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties. Our responsibilities are as set out in our engagement letter.	Audit Scotland Terms of Appointment letter - audit to be undertaken in accordance with the Code of Audit Practice
Planning and audit approach Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Annual Audit Plan - May 2018
Significant findings from the audit <ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	This Annual Audit Report We request written representation from you in respect of key matters arising during the course of our audit, and in accordance with auditing standards. A copy of this letter is provided for your consideration and signature at the time of approval of the financial statements.
Going concern Events or conditions identified that may cast significant doubt on the College's ability to continue as a going concern, including: <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	No conditions or events were identified, either individually or together to raise any doubt about the College's ability to continue for the 12 months from the date of our report.
Misstatements <ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Corrected misstatements that are significant ▶ Material misstatements corrected by management 	This Annual Audit Report
Fraud <ul style="list-style-type: none"> ▶ Enquiries of the Audit & Risk Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the College ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud, relevant to the Audit & Risk Committee 	This Annual Audit Report
Consideration of laws and regulations <ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Audit & Risk Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit & Risk Committee may be aware of 	This Annual Audit Report We have asked management and those charged with governance. We have not identified any material instances or non-compliance with laws and regulations.

Required communication	Reference
Related parties Significant matters arising during the audit in connection with the College's related parties including, when applicable: <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the College 	No significant matters have been identified.
Independence Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	Annual Audit Plan This Annual Audit Report - Appendix B
Internal controls Significant deficiencies in internal controls identified during the audit	This Annual Audit Report - no significant deficiencies reported
Subsequent events <ul style="list-style-type: none"> ▶ Where appropriate, asking the Audit & Risk Committee whether any subsequent events have occurred that might affect the financial statements. 	We have asked management and those charged with governance. We have no matters to report.
Material inconsistencies Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	This Annual Audit Report

This action plan summarises specific recommendations included elsewhere within this Annual Audit Report. We have graded these findings according to our consideration of their priority for the College or management to action.

Classification of recommendations			
<p>Grade 1: Key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently management needs to address and seek resolution urgently.</p> <p>Grade 2: Risks or potential weaknesses which impact on individual objectives, or impact the operation of a single process, and so require prompt but not immediate action by management.</p> <p>Grade 3: Less significant issues and / or areas for improvement which we consider merit attention but do not require to be prioritised by management.</p>			
No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
1	<p>Financial process improvements</p> <p>Throughout the course of our audit, we identified a number of areas where supporting documentation could be improved or where balances in the financial statements had no supporting documentation. While progress has been made, further improvements are required to financial processes, in particular in relation to the analysis of yearend debtors and creditors, as well as more general SAM and SIT system processes.</p>	<p>Management recognises the need for ongoing improvement, and a restructuring of the finance team is being implemented to provide support in these areas.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Recruitment to the vacant posts within the revised structure is underway. In addition, support is being provided by the UHI Business Improvement team to identify potential process changes.</p> <p>Timescale - end of March 2019 for all posts to be filled.</p>
2	<p>Non-Profit Distribution model</p> <p>The NPD model, and assumptions contained therein, does not factor in a contingent rent element which we would expect in such an arrangement. Furthermore, the model has the effect of smoothing lifecycle costs over the term of the agreement. Consequently, there is a risk future accounting recognition may not fully reflect the substance of the transaction in accordance with FRS 102.</p>	<p>In prior year, we have made a recommendation to management to review the model and accounting treatment to ensure it continues to meet the requirements of FRS 102. This has not yet been implemented.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Due to limited availability it was not possible to complete this during 2017/18.</p> <p>Timescale - end of July 2019.</p>
3	<p>Medium term financial plan</p> <p>The College is currently forecasting a significant underlying deficit across the five year period through 2022/23. Good practice in respect of ensuring financial sustainability for the College would dictate that management has identified how it intends to address this gap across the five year period, in the form of a medium term financial plan.</p>	<p>Management is aware of the financial shortfalls being forecast and is in the process of developing a finance strategy through to 2023. This has been initially reviewed by the Board and is being updated to reflect feedback, including the incorporation of scenario planning into the strategy. This will be further updated at scheduled Board away days and management aims to finalise the revised strategy early in 2019.</p> <p style="text-align: right;"><i>Grade 1</i></p>	<p>The Senior Management Team are working to prepare a detailed financial plan to support a new Finance Strategy. This process has commenced with a view to completion in March 2019.</p> <p>Timescale - end of March 2019.</p>

E. Summary of audit differences



There were a number of adjustments processed to the unaudited financial statements as a result of our audit work. The impact of these is summarised below. All differences identified through the audit process were adjusted by management in the final financial statements.

Summary of audit differences – adjusted differences		
No.	Account	Income and Expenditure impact / £ Balance sheet impact / £
1	Being Deferred Income release omitted in error	
	Dr Balance sheet – Deferred income	20,129
	Cr CIES – Other Income	(20,129)
2	Being adjustment to recognise accrued income in respect of cash received from UHI in relation to Modern Apprenticeship	
	Dr Balance Sheet – Accrued Income	27,080
	Cr CIES – Modern Apprentices	(27,080)
3	Being adjustment of over-provision for bad debt	
	Dr Balance Sheet –Bad Debt Provision	128,557
	Cr CIES – Bad Debt provision	(128,557)
4	Being partially release of potential ESF clawback provision	
	Dr Balance Sheet – Other Provision	43,811
	Cr CIES – Provision Release	(43,811)
5	Being an adjustment of cash receipt from UHI incorrectly posted to Accounts Receivables	
	Dr Balance Sheet – Accounts Receivables	68,464
	Cr Balance Sheet – SITS Control account	(26,762)
	Cr CIES – Short Course Income	(41,702)
6	Being an accrual for support staff pay-rise agreed deal (late adjustment as the result of adjusting post-balance sheet event)	
	Dr CIES – Admin Basic Pay	34,220
	Dr CIES – Admin National Insurance Contributions	4,722
	Dr CIES – Admin Superannuation	5,574
	Cr Balance Sheet - Accruals and Deferred Income	(44,517)
7	Being an accrual for academic staff pay-rise (late adjustment as the result of adjusting post-balance sheet event)	
	Dr CIES – Lecturers basic pay	41,969
	Dr CIES – Lecturers National Insurance Contributions	4,642
	Dr CIES – Lecturers Superannuation	7,730
	Dr CIES – Temporary Staff Returns	4,049
	Cr Balance Sheet – Accruals and Deferred Income	(58,390)
	Total	(158,372) (158,372)

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[To be prepared on the entity's letterhead]

[Date]

Ernst & Young
144 Morrison Street
Edinburgh
EH3 8EX

Dear Sirs

This letter of representations is provided in connection with your audit of the financial statements of Inverness College ("the College") for the year ended 31 July 2018. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the College financial statements give a true and fair view of the College financial position as of 31 July 2018 and of its financial performance and its cash flows for the year then ended in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" and with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and the Scottish Funding Council Financial Memorandum.

We understand that the purpose of your audit of the College financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities under the relevant statutory authorities for the preparation of the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" and with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and the Scottish Funding Council Financial Memorandum.
2. We acknowledge, as members of management of the College, our responsibility for the fair presentation of the College financial statements. We believe the College financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the College in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" and with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and the Scottish Funding Council Financial Memorandum, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the College financial statements are appropriately described in the College financial statements.

4. As members of management of the College, we believe that the College has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 “The Financial Reporting standard applicable in the UK and Republic of Ireland” and with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and the Scottish Funding Council Financial Memorandum for the College that are free from material misstatement, whether due to fraud or error.
5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the College’s business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the College financial statements may be materially misstated as a result of fraud.

We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the College (regardless of the source or form and including without limitation, any allegations by “whistleblowers”), including non-compliance matters:

- Involving financial improprieties
- Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the College financial statements
- Related to laws or regulations that have an indirect effect on amounts and disclosures in the College financial statements, but compliance with which may be fundamental to the operations of the College’s business, its ability to continue in business, or to avoid material penalties
- Involving management, or employees who have significant roles in internal control, or others
- In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and

- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the College financial statements.
 3. We have made available to you all minutes of the meetings of Board of Management and all standing committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting.
 4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the College's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the College financial statements.
 5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
 6. We have disclosed to you, and the College has complied with, all aspects of contractual agreements that could have a material effect on the College financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the College financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

E. Subsequent Events

1. Other than the events described in Note 22 to the College financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the College financial statements or notes thereto.

F. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Performance Report, the Accountability Report and the Remuneration and Staff Report.
2. We confirm that the content contained within the other information is consistent with the financial statements and the relevant statutory authorities, Financial Memorandum and the Scottish Funding Council's 2017/18 Accounts Direction.

G. Local Government Pension Scheme Liability

1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in

the context of applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 “The Financial Reporting standard applicable in the UK and Republic of Ireland” and with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and the Scottish Funding Council Financial Memorandum.

2. We confirm that the significant assumptions used in making the accounting estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.
3. We confirm that the disclosures made in the College financial statements with respect to the accounting estimates are complete and made in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 “The Financial Reporting standard applicable in the UK and Republic of Ireland” and with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and the Scottish Funding Council Financial Memorandum.
4. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the College financial statements due to subsequent events.

H. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

I. Regulatory Compliance

1. We are unaware of any known or probable material instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.
2. All known matters of routine, normal, recurring nature has been disclosed, none of which involves any allegations of noncompliance with laws or regulations that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

J. Use of funds

1. Funds from whatever source administered by the College for specific purposes have materially been applied properly to those purposes and, if relevant, managed in accordance with relevant legislation, and any other terms and conditions attached to them.
2. Funds provided by the Scottish Funding Council have been materially applied in accordance with the requirements of the SFC Financial Memorandum with Fundable bodies in the College sector.

K. Senior officer emoluments

1. We confirm that we have complied with all requirements regarding senior officer emoluments set out within the 2017-18 Accounts Direction.
2. We have included disclosure of all emoluments provided to the head of the institution, which included all amounts paid as well as taxable and non-taxable benefits. We confirm that the

disclosure is complete.

L. Compliance with requirements set out by the Scottish Funding Council and other applicable law and regulations

1. We confirm that we have complied with all requirements set out in the Scottish Funding Council Financial Memorandum and Accounts Direction, Terms and Conditions, and associated regulatory notices, including the accounts direction.
2. We further confirm that we have complied with the requirements of the Financial Reporting Manual (FReM) and the Scottish Public Finance Manual.

M. Relationship and transactions with Arm`s Length Foundations (ALF)

1. Management has considered the College's relationship with the Scottish College Foundation ALF, and concluded it is an independent body on the basis of there is no evidence of significant influence by the College and therefore there is no basis for consolidation in the College financial statements.

Yours faithfully,

(Principal)

(Chair of the Board of Management of the College)

Annual Report and Accounts for the Year Ended 31 July 2018

Contents	Page
Key Management Personnel, Board of Management and Professional Advisors	3
Performance Report	4
Accountability Report	21
Independent Auditor's Report to the Board of Management, the Auditor General for Scotland and the Scottish Parliament	37
Statement of Comprehensive Income	41
Statement of Changes in Reserves	42
Balance Sheet	43
Statement of Cash Flows	44
Notes to the Financial Statements	45

Key Management Personnel, Board of Management and Professional Advisors

Key Management Personnel

Principal and Chief Executive	Professor Christopher O'Neil
Depute Principal	Roddy Henry
Director of Finance	Fiona Mustarde
Director of Organisational Development	Lindsay Ferries
Director of Business Development	Georgie Parker
Head of Curriculum	Gill Berkeley
Head of Research Development	Melanie Smith
Head of Student Services	Lindsay Snodgrass

Board of Management

A full list of the membership of the Board of Management is given in the Accountability Report. The Chair of the Board of Management is Neil Stewart.

External Auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Internal Auditor

BDO LLP
4 Atlantic Quay
70 York Street
Glasgow G2 8JX

Bankers

Royal Bank of Scotland Plc
29 Harbour Road
Inverness IV1 1NU

Solicitors

Harper MacLeod LLP
Alder House
Cradlehall Business Park
Inverness IV2 5GH

Performance Report

The Board of Management of Inverness College UHI present their report and the audited financial statements for the year ended 31 July 2018.

OVERVIEW

The overview section is designed to aid the reader in understanding our College including; the context in which we operate, our main objectives, our performance during the year and the key challenges and risks facing the College.

PRINCIPAL'S STATEMENT

2017/18 has been a very successful year for Inverness College UHI, having achieved our activity targets whilst also increasing satisfaction rates across both further and higher education.

Having joined the College in September of 2017, I have now participated in a full cycle of activity. Over the past year, I have had numerous opportunities to meet with students and staff, both within our own College and across the University of the Highlands and Islands (UHI) partnership and beyond. It is gratifying to see that we place the student experience at the heart of everything we do. We have a hugely talented and committed workforce who strive to provide an excellent student experience and this is evident in the positive results attained within a challenging recruitment environment.

We continue to work closely with our colleagues across UHI to ensure that our learners have access to the right provision to meet their needs. This emphasis on partnership working has successfully extended beyond Higher Education to encompass Further Education. For example, the Single Policy Environment for FE project is creating stronger links on matters specific to FE, with the aim of ensuring parity of access and experience across our region.

Through Developing the Young Workforce, we have strengthened our bonds with schools across our area. Our teams are continuing to enhance the senior phase offering, ensuring sufficient, relevant options are available for our young people and creating seamless paths for transition into further and higher education.

One of education's key challenges is to remain current and to deliver skills and processes that are relevant to today's employers. To this end, we continue to work with a large number of employers and are starting to see a significant change in educational demand. Whilst we have seen the allocation of FE credit based learning become more challenging – we have seen the demand for foundation, modern and graduate apprenticeships rise.

UHI and Inverness College in particular are better placed to take advantage of this growth than many other institutions and, as we reflect upon this shift in demand from students and employers, the three levels of Scottish apprenticeships are defining our tertiary capacity and offer.

Inverness College UHI – SC021197

Our HE activity continues to grow and we are taking the lead in developing exciting new areas of provision, in collaboration with other industry and other partners.

The College is undertaking an extensive curriculum review process during 2018/19. This process will be informed by a number of fundamental factors including labour market requirements, both local and national priorities, student mobility and financial constraints. The outcomes of this process will be forward looking curriculum to meet the aspirations of our students, and supply the skills and knowledge desired by employers, providing cost effective solutions for our stakeholders.

The funding environment we operate in continues to pose a financial challenge. Whilst the Scottish Funding Council have identified current funding towards the costs of implementing the academic staff national bargaining outcomes relating to pay model changes, there is significant pressure on staffing budgets. Recent funding settlements have not taken account of inflationary movements and future funding streams are uncertain. The Scottish Funding Council intention to move to a new activity based funding model in future could disproportionately disadvantage the Highlands and Islands region.

PURPOSE AND ACTIVITIES OF THE COLLEGE

The Board of Management of Inverness College was established under the Further and Higher Education (Scotland) Act 1992 for the purposes of conducting Inverness College UHI. The College is a public benefit entity and a registered charity (Scottish Charity Number SC021197) having its registered offices at 1 Inverness Campus, Inverness, IV2 5NA.

The Post 16 Education (Scotland) Act 2013 identified the University of the Highlands and Islands as a Regional Strategic Body with responsibilities for planning, delivery, monitoring and efficiency savings in further education across the Highlands and Islands area. The main provisions of this Act came into force on 1 August 2014 and further education for the area has been funded through the University from that date.

In accordance with the Act further education funding for the Highlands and Islands is distributed by UHI to eight assigned colleges (who are existing academic partners of UHI). Inverness College UHI is one of these assigned colleges. The University Court is the accountable body for both higher and further education performance in line with a single regional outcome agreement with the Scottish Funding Council (SFC).

Purpose

Inverness College UHI is one of the largest academic partners in the University of the Highlands and Islands (UHI) and our purpose is to have a transformational impact on the development and prospects of the Highlands and Islands region through the provision of excellence in education, training and research, encouraging individual attainment and driving economic and community development.

Inverness College UHI – SC021197

We will inspire each other, and our community, providing a safe and supportive environment within which we nurture ambition at every opportunity.

We will enrich our Highland community and have national and international reach, putting Inverness College UHI and the University of the Highlands and Islands on the world map and encouraging inward migration.

The College fulfils its purpose through operating as a truly tertiary institution, with students ranging from senior phase school pupils through to postgraduate research students. On our main Inverness campus, our iconic building is clearly visible from a range of aspects, providing an accessible and inclusive environment to engage with students, staff and the wider community. The dedicated forestry campus at Balloch, Inverness enables a clear focus on the external environment whilst still providing high quality teaching facilities.

In order to ensure that it provides educational opportunities that meet the social and economic needs of the area, the College works closely with a number of key stakeholders, including Highland Council, Highlands and Islands Enterprise, NHS Highland, Highland Community Planning Partnerships, and of course the other academic partners within UHI. We have a number of other key stakeholders, including the Scottish Funding Council and Skills Development Scotland, as well as local schools, employers, other educational institutions, and the local community.

Public Benefit Statement

In setting and reviewing the College's strategic objectives, the Board of Management has had due regard for the Scottish Charity Regulator's (OSCR's) guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce.

Strategic Plan 2017/20

Our Strategic Plan for 2017 to 2020 is closely aligned to the UHI Strategic Plan and provides a framework to respond to the Highland Single Outcome Agreement and the regional Skills Investment Plan.

The development of the Strategic Plan for the College for the three year period 2017 to 2020 involved extensive consultation and was approved by the Board of Management in November 2016. We have six key themes within our Strategic Plan and within these our key strategic aims, as noted below:

- **Opportunity and growth in student life** – we will build a vibrant campus community that all of our students are proud of, and within which they are engaged and supported to reach their potential. We will strengthen our existing relationships between our students, staff, employers and the wider community to further increase student participation and the student voice.
- **Opportunity and growth in curriculum** - we will offer a progressive curriculum that is valued by our students, employers and the communities we serve, and that is delivered in a variety of ways to make it accessible to all. We will ensure the curriculum remains relevant, responsive to demand and aligned with employment opportunities, providing a range of progression pathways that contribute to the economic growth and social cohesion of our region.
- **Opportunity and growth in professional practice** - Recognising that people have the greatest influence on our success, we will operate in a positive culture where we stretch ourselves to deliver the highest standards of service, support and delivery that exceeds expectations.
- **Opportunity and growth in organisational development** - As a highly regarded organisation, we will attract and retain talented employees committed to achieving shared goals. We will create a supportive, collaborative and dynamic environment where students and staff are inspired to learn and develop. Our high performance culture will be underpinned by a dispersed leadership model, within which teams are empowered to deliver and share accountability for outcomes.
- **Opportunity and growth in research and innovation** - We will build upon our successes in research by strengthening our impact and excellence and growing our regional and international reputation. We will continue to support and grow an innovative and inspired postgraduate researcher community. Our research will directly inform innovation and entrepreneurship activity in key sectors regionally and internationally.
- **Opportunity and growth in sustainability** - We will ensure our continuing financial stability by developing income streams and promoting efficient, effective service delivery. We will work collaboratively to enhance the prosperity of the regional economy. We are committed to acting responsibly by protecting our environment, maintaining and developing our infrastructure and managing our risks.

The Strategic Plan is supported by a range of enabling strategies creating the link between overall strategy and operational effectiveness.

Inverness College UHI is committed to promoting equality and positive relations and values diversity. A comprehensive approach is intended to meet the needs of individuals, to enable engagement with an accessible curriculum in an inclusive learning environment and workplace.

The College is committed to identifying and eliminating unfair and unlawful discrimination across the nine protected characteristics reflected in the Equality Act, these include age, disability, sex, gender reassignment, marriage and civil

Inverness College UHI – SC021197

partnership, pregnancy and maternity, race, religion and belief and sexual orientation. Where barriers to learning or employment are identified for an individual, the College will deploy resources to provide additional support and access to appropriate opportunities wherever possible.

The College is committed to ensuring effective engagement and support for students with disabilities. Information on sources of support are provided in the student handbook and reinforced by appointed studies advisors. An active Students' Association is effective in engaging across a range of students. The Student Association Executive Committee includes a Vice President responsible for furthering equality matters.

KEY ISSUES AND RISKS

The College's Board of Management is ultimately responsible for the systems of internal control and reviewing its effectiveness. It is designed to manage rather than eliminate risks to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The College has Risk Management and Business Continuity policy statements which are reviewed regularly by the Audit Committee. The Senior Management Team monitors key performance and risk indicators and considers possible control issues.

A strategic risk register based on the UHI agreed format is maintained at the College level and is reviewed every quarter by the Audit Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The risk register is regularly reviewed by the Senior Management Team.

The Senior Management Team and Audit Committee also receive regular reports from internal audit and health and safety which include recommendations for improvement. The internal audit service concentrates on areas of key activities in accordance with the annual internal audit plan approved by the Audit Committee. The internal auditors have direct access to the Chair of the Audit Committee and issue an annual report with an opinion on the adequacy, reliability and effectiveness of the College's internal control systems. The Audit Committee also meets annually with the internal and external auditors without the Senior Management Team.

Outlined below is a description of principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Government funding

The College is assigned to the UHI Regional Strategic Body which distributes Further Education funding on behalf of the Scottish Funding Council. The Scottish Funding Council provides the UHI Regional Strategic Body with an allocation of funding for the region and associated outcomes, including credit targets. The UHI Regional Strategic Body then determines how this overall allocation, including the

Inverness College UHI – SC021197

allocation of credit targets, should be apportioned amongst the relevant assigned Colleges.

A similar process is followed for the distribution of Higher Education funding in that the apportionment of funding is determined through UHI. However, this funding is subject to a significant 'top-slice' to fund the UHI Executive Office services before being allocated to the academic partners.

The College has considerable reliance on continued government funding through the UHI Regional Strategic Body. For 2017/2018, this equated to 73% of the College's revenue and this level of requirement is not expected to significantly diminish. Given the current tightening of government spending, there can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The key risks which might impact on future government funding available to the College are:

- The Scottish Government reduces HE / FE funding through the reduction of activity targets
- Flat cash settlements leaving the sector to absorb inflationary increases whilst also requiring efficiency savings
- Financial instability of other Colleges within UHI
- UHI increases its top-slice

This risk is mitigated in a number of ways:

- Regular finance monitoring reports circulated to budget holders, SMT and Board of management.
- Monitor KPI's reported to Board to ensure we are meeting College activity targets.
- Ensure all budget holders are aware of College financial regulations.
- More efficient working practices, e.g. further savings in procurement.
- Further increase in non-SFC funding, including international and research.
- Monitor class sizes to ensure optimum efficiencies while taking account of access issues and the quality of the student experience.
- Effective partnership working across UHI.

2. Financial Stability of the UHI Partnership

The UHI partnership is constituted from a diverse range of institutions ranging from niche providers such as Highland Theological College, through FE and HE colleges of varying size and complexity, to more research focussed institutions such as the Scottish Association for Marine Science.

This, combined with the unique delivery mechanisms for delivery of quality education provision across the Highlands and Islands, provides a challenging environment for agreement of distribution of grant funding.

Economies of scale are difficult to achieve across such a wide range of institutions and further work is required to consider future models for efficiency,

Inverness College UHI – SC021197

such as possible integration of services or institutions. The focus is to ensure that there is parity of access and experience for students across our region and we must work collectively to realise this ambition.

The key risks are:

- rising costs and flat cash or reduced government funding combine to threaten the financial sustainability of individual partners thereby impacting on the rest of the partnership.
- Inability to generate efficiency savings within current structures
- Lack of funding leads to poor student experience

These risks are mitigated through:

- full participation in partnership wide agreements
- efforts to remove the split between FE and HE and instead be fully tertiary
- collaborative procurement

3. National Pay Bargaining / Support Staff Job Evaluation

As a signatory to the National Recognition and Procedures Agreement (NPRA), the College is bound to implement the outcomes from the national pay bargaining process. The new teaching pay scale is being implemented on a transitional basis over a three year period, with the first transition having taken effect from 1 April 2017 and the final transition taking place in April 2019.

Support staff job evaluation is a national project which is currently underway. The outcomes from this project will take effect from 1 September 2018 but it is likely to have a significant adverse impact on pay costs across the UHI partner colleges.

The Scottish Funding Council have allocated funding specifically in respect of national pay bargaining.

Going forwards there is a risk that:

- Outcomes of nationally negotiated and agreed pay and conditions result in a model that is unaffordable, unsustainable and does not meet the College's needs.
- Additional funding to cover the increased pay costs resulting from national agreements is not provided sufficient.
- Additional funding to cover the increased pay costs resulting from national agreements is not provided by the Scottish Funding Council on an ongoing basis.

This risk is mitigated by:

- Ensuring representation on employer's association, NJNC representation, workforce for the future and other groups as management side develop management side consultation arrangements.
- Continued dialogue with the Scottish Funding Council on the financial implications resulting from these national agreements.

4. Curriculum Offer

With the continued challenge posed by the lack of increase in government funding through the Scottish Funding Council, it is essential that the curriculum offered by the College is updated and refreshed to meet stakeholder requirements.

Changing requirements such as the growth in apprenticeships, demographic movements, employer and industry expectations present both challenges and opportunities.

The key risk is:

- The College is slow to respond to changing requirements
- Curriculum offer does not meet demand
- Curriculum offer not sufficiently competitive to attract full fee paying students

These risks are mitigated through:

- Understanding stakeholder requirements
- Reviewing the curriculum offer ensuring currency
- Moving the loci of effort to address expectations
- Providing an excellent student experience

5. Brexit

The continued uncertainty around Brexit and what that actually means for the education sector are impossible to predict at this stage. Brexit could directly impact significantly across a range of factors such as access to research funding, student activity levels, staffing resources and additional supplies costs but is as yet an unknown quantity. This uncertainty impacts on mitigation measures however the College is participating in relevant forums as they become available.

GOING CONCERN BASIS

Although the College has net liabilities, this is due to the pension scheme liability. It is our opinion that this does not impact on the College's going concern status, as per the statement on page 37 of the governance statement.

PERFORMANCE SUMMARY

The Statement of Comprehensive Income shows a deficit for 2017/18 of £1.4m. However, this includes non-cash items such as depreciation and pension adjustments and once all relevant items have been excluded, there is an underlying surplus of £0.3m.

The College successfully delivered against its student activity targets for 2017/18 with final outturns of 29,548 credits for FE and 1,609 FTEs for HE, see table on page 13 for further detail.

The College's academic performance continues to improve, particularly in relation to completion rates and student satisfaction, as evidence by the Strategy and KPI table on page 13.

PERFORMANCE ANALYSIS

Performance Measures

The College measures performance using a number of key performance indicators which broadly fall into three categories: student activity, financial and human resources.

For student activity, these measures include:

- Activity measures
- Retention and attainment rates
- Satisfaction rates
- Progression to positive destinations

Financial measures include:

- Operational surplus/deficit as a % of turnover
- Liquidity – current assets to liabilities ratio
- Staff costs – as a % of total college turnover

Human resources measures include:

- Health and wellbeing - % days sickness
- Resourcing - % turnover of staff
- Professional development - % of permanent full time lecturers holding recognised teaching qualification

Performance against these measures is monitored on a regular basis and reported to the relevant Board of Management Committees. For example, there is considerable focus on activity targets in the early part of year. This detailed focus enables the College to identify emerging risks and plan mitigation to address these. The College seeks to understand any additional underlying factors over and above the known risks posed by changing demand and demographics.

Student Activity

Student recruitment for HE remained strong in 2017-18 with a fourth successive year of growth. FE activity exceeded the allocated credit target for the fourth year running, despite the increasing challenges around attracting FE students. Activity delivered within the apprenticeship range from foundation through to graduate apprentices continues to grow.

As part of the University of the Highlands and Islands partnership, the College HE activity is measured in full time equivalents (FTEs) rather than credits.

The College fully participates in addressing opportunities and concerns at a regional level by working closely with our UHI academic partners to match resources with demand.

Inverness College UHI – SC021197

Student Activity	Target 2017/18	Outturn 2017/18
FE Credits	29,507	29,548
HE FTEs	1,595	1,609

The College is highly focussed on quality, as evidenced through our involvement in the national College Improvement Project and the Sparqs action-learning project on student engagement in How Good is Our College (HGIOC). The continued improvement in student satisfaction and success rates overall evidence the effectiveness of our quality enhancement arrangements.

	Actual 2016-17	Actual 2017-18
Strategy and KPI		
Learning and Teaching		
Student retention rates:		
FE	86%	89%
HE	91%	90%
Student successful completion rates:		
FE	73%	77%
HE	74%	77%
Student satisfaction rates overall:		
National Student Survey (NSS) HE only	75%	80%
Student Satisfaction and Engagement Survey (SSES) FE	87%	95%
Student Satisfaction and Engagement Survey (SSES) HE	88%	90%
Student Engagement		
Student satisfaction (SSES ratings):		
Services to support learning	92%	93%
Students' ability to influence learning	80%	86%
College response to learner views	71%	80%

The College is undertaking an extensive review of our curriculum offer for future years. This review will build on the views of stakeholders, encompassing both local and national priorities and drivers, to ensure that the curriculum offered is progressive and relevant to the needs of our students and wider stakeholders. A key outcome from the review will be a relevant, affordable, sustainable curriculum offer.

At FE level, the continued growth in demand for apprenticeships will form an important feature of the College curriculum offer. Demand for graduate level apprenticeships is also growing as this becomes embedded in our offer and more employers recognise the benefits

Finance

The Statement of Comprehensive Income for 2017/18 reflects a deficit for the year of £1,443,198, a significant movement on the surplus of £166,407 achieved in 2016/17. However, the 2016/17 surplus of £166,407 resulted from the release of deferred capital grant relating to former campus sites that were disposed of in that year. The 2017/18 position is a clearer reflection of a year of standard financial activity in the life of the College.

Inverness College UHI – SC021197

KPI	Actual 2015/16	Actual 2016/17	Actual 2017/18
Operational Surplus/Deficit			
Amount as % of turnover	-6.06%	0.63%	-5.48%
Liquidity			
KPI: Current assets to liabilities ratio	0.49	0.59	0.78
Staff Costs			
KPI: Staff cost as % of total college turnover	55.03%	54.94%	60.06%

2017/18 includes the first full year of transition in teaching staff pay to the nationally agreed pay scale. The implementation of national pay and conditions have been recognised as one of the key risks faced by colleges.

Future financial sustainability is a primary area of focus for the College and the challenge is how we meet the aims of our Strategic Plan within the resources available to deliver against this, balancing this against a number of risks.

There is no single solution to this challenge. Success will be achieved through the combined effect of a variety of different initiatives, not all of which are financial but which will ultimately result in a positive financial outcome. Some examples are the curriculum review, improving procurement practices and streamlining of systems and processes.

Human Resources

KPI	Actual 2015/16	Actual 2016/17	Actual 2017/18
Resourcing			
%Turnover of staff	13.8%	13.3%	14%
Health & Wellbeing			
% Days sickness	2.995 %	3.1%	3.5%
Number of reported accidents	101	175	340
Professional Development			
% of permanent full-time teachers holding recognised teacher qualification or studying towards TQFE / PDA	96.9 %	99%	98%
Proportion of Managers with a recognised management qualification or studying towards a recognised management qualification	55%	70%	90%

Inverness College UHI – SC021197

The College has invested significantly in staff development in recent years. This positively benefits both the staff and the students by enabling the College to provide the best service possible.

The College has invested in new online health and safety systems and training, readily accessible by all staff. The results of this investment are clear to see with the rising trend of reported incidents. This has fostered a positive health and safety culture with an increased staff awareness of reporting all accidents and incidents, including near misses. The information available has also enabled staff to be proactive in their approach, identifying key risk areas and mitigating these.

The College is progressing with detailed workforce planning which is integral to the curriculum offer, our ability to meet both the targets agreed by UHI and demand from our stakeholders, and the effective use of financial resources.

These performance measures flow from the relevant enabling strategies and are regularly reported to the Board of Management.

Corporate Social Responsibility

The college is a living wage employer.

We evaluate community benefit as part of the public procurement evaluation process through to contract award. Wherever possible we encourage working with small and medium enterprises in our region to ensure we build capacity for these suppliers to engage in public procurement.

Our IIP gold annual review also considered corporate social responsibility. Our staff continue to demonstrate pride in the impact that education has on our local communities. A number of collaborations with schools, local third sector agencies and public services has enhanced the life and work of the College.

Environmental Impact

The College has a carbon management plan which provides baseline data in respect of the performance of all of its estates and its current carbon reduction targets, plans and projects. The College is working alongside students, staff and contractors to reduce waste and increase recycling with a target to achieve a 10% reduction in personal waste for every student and staff member and a 95% recycling target by 2020. Utility costs are reviewed on a monthly basis and strategies have been put in place to reduce our energy consumption. The College utilises the Scottish Government national framework agreements against utilities including gas, electricity and water.

The College has an active travel plan which includes the promotion of public transport, and strategies to increase cycling and improve pedestrian access to the campus.

The College complies with the Scottish Government sustainability reporting in line with the requirements of the Climate Change (Scotland) Act 2009.

Inverness College UHI – SC021197

FINANCIAL POSITION

Financial Results

The deficit on continuing operations, including depreciation charges, for the financial year ended 31 July 2018 is £1,443,198, compared to a surplus of £166,407 for the year ended 31 July 2017. A positive cash position has been maintained.

The College ended the 2017/18 financial year with an accumulated reserve deficit of £2,824,415, (PY £8,538,217 deficit). This is due to the pension liability of £4,349,000, (PY £10,309,000).

The new NPD assets were capitalised in 2015/16 and are included as fixed assets under land and buildings; as required by FRS102 the NPD assets are stated at fair value. The related debt is included in the balance sheet as a creditor and is repaid over a 25 year term. The College makes monthly unitary charge payments which include the capital element of the loan and interest. FRS102 requires the NPD assets to be accounted for as if they were finance leases. As a result, higher interest levels are charged in to the statement of comprehensive income during the initial years and the reverse will happen in the final years of the lease when there will be small amounts of interest and high capital repayments.

The College's 2017/18 adjusted operating position is summarised as follows:

Adjusted operating position		
	2017-18 £'000	2016-17 £'000
(Deficit)/Surplus before other gains and losses	(1,443)	350
Add back:		
- Depreciation (net of deferred capital grant release) (Note 1)	1,134	1,451
- Exceptional non-restructuring costs	-	-
- Non-cash pension adjustment- net service cost (Note 2)	903	680
- Non-cash pension adjustment – net interest cost (Note 3)	294	233
- Non-cash pension adjustment – early retirement provision (Note 4)	-	11
Deduct:		
- Release of grant for asset disposal (Note 5)	-	1,596
- NPD income applied to reduce NPD balance sheet debt (Note 6)	523	478
Adjusted operating surplus/(deficit)	365	651

Commentary on adjusting items:

Note 1: Depreciation is a non-cash item and is therefore excluded when calculating the adjusted cash operating position.

Inverness College UHI – SC021197

Note 2: The adjustments to the pensions charge represent the non-cash element of service cost (i.e. including the present value of projected benefits resulting from employee service in the current year) less cash contributions paid.

Note 3: The net interest cost is the interest accumulated on the pension liability and this is offset against the current year's interest earned on pension assets. These are non-cash adjustments.

Note 4: The early retirement provision adjustment relates to the gain arising from the actuarial valuation during the year and other non-cash movements (if charged to staff costs / other operating costs).

Note 5: The College disposed of former campus sites and the remaining deferred grant related to those sites was released to the SOCI on disposal. This item has therefore been adjusted to avoid overstating the operating surplus.

Note 6: NPD income is included in the SOCI but the payment is applied to reduce the balance sheet liability and is therefore adjusted.

Resource Outturn

The table below states the outturn figures for the year 1 April 2017 to 31 March 2018 as reported in the Resource Return to the SFC.

Resource DEL (RDEL)	RDEL £000	CDEL £000
Final resource budget	10,443	127
Expenditure against resource budget	10,490	127
(Over)/underspend on Resource Budget	(47)	-

As per SFC requirements, both the resource budget and expenditure exclude amounts relating to the NPD unitary charge funding and payments.

The negative variance in the RDEL outturn against budget relates to the adjusted HE funding from UHI relating to reduced student numbers in 2016/17 set against rising pay and other operating costs.

Cash Budget for Priorities

Following their reclassification as central government bodies from 1 April 2014, colleges are now also required to comply with Central Government budgeting rules. In addressing the impact of these budgeting rules, Scottish Government and SFC committed to providing the cash budget previously earmarked for depreciation for use on specified priorities.

Colleges have now been given a fixed cash budget for priorities which must be spent on agreed government priorities as outlined in the table below. Spend of the

Inverness College UHI – SC021197

College's cash budget for priorities, and impact on the operating position for the academic year, is detailed below.

Table of cash budget for priorities spend		
Revenue Priorities	2017-18 £'000	2016-17 £'000
Student Support		
2015-16 pay award	378	378
Estates Costs	118	
Other		
Total impact on operating position	496	378
Capital Priorities		
Loan repayments	-	-
Provisions pre 1 April 2014	-	-
Total Capital	-	-
Total cash budget for priorities spend	496	378

Taxation Status

The College is a registered charity and is exempt from corporation tax and capital gains tax. The College receives no similar exemption in respect of Value Added Tax.

Treasury Policy

Treasury management is the management of the College's cash flows, its banking and capital transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has separate treasury management procedures in place.

Cash Flows

The opening cash balance for the year was £3,763,193. The year-end cash balance was £4,060,499, compared with a budget cash balance of £2,467,000. The cash flow position of the College is monitored on a daily basis and has largely followed the expected pattern throughout the year. The positive variance is due to a number of factors, principally in relation to better than forecast cash flow relating to the College's capital planning / service concession and contracts with third parties.

Liquidity

The College had a net current liability of £1,380,921 at the year end, compared with net current liability of £2,902,768, in 2016/17. The decrease is largely down to an increase in cash and debtors. The College does not believe this to present a risk to the going concern status.

Inverness College UHI – SC021197

Creditor Payment Policy

The College seeks to comply with the CBI Prompt Payment Code and aims to pay its suppliers within 30 days of receipt of invoice, unless the invoice is contested. On the basis of a 10% sampling exercise of creditor invoice payments, the College's average creditor payment period was 28.9 days over the 12 month period to July 2018, compared with the figure of 28.7 days in the 12 months to July 2017. The College did not pay any interest during the year under the late payment of Commercial Debts (Interest) Act 1998.

RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives.

Tangible resources include the main College campuses at Inverness and Balloch.

Financial

The College has £4,060,499 cash and no long term private sector or bank debt apart from the NPD creditor.

People

The College employs 368 people (expressed as full time equivalents), of whom 186 are teaching staff.

Reputation

The College has now built up a strong reputation, both locally and nationally and works closely with its stakeholders. Maintaining a quality brand is essential for the College's success.

Stakeholder Relationships

In line with other colleges and universities, Inverness College UHI has many stakeholders. These include:

- Students
- Staff
- Scottish Funding Council
- Local and national employers
- Local authorities
- Community Planning Partnerships
- Government Offices/ Regional Development Agencies
- The local community
- Partner institutions of UHI
- Scotland's Colleges, other FE and HE institutions
- Trade unions
- Business groups
- Professional bodies

Inverness College UHI – SC021197

The College recognises the importance of these relationships and engages in regular communication with them through the College website and meetings.

Disclosure of Information to Auditors

The Board members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each Board member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the Board on 18 December 2018 and signed on its behalf by:

Neil Stewart
Chair

Professor Christopher O'Neil
Principal and Chief Executive Officer

Inverness College UHI

Accountability Report

The Accountability Report consists of the Remuneration and Staff Report, the Statement of the Board of Management's Responsibilities and the Corporate Governance Report.

REMUNERATION AND STAFF REPORT

Remuneration Policy

Inverness College UHI is committed to the principle of equality of treatment in relation to pay for all employees. We aim to ensure that procedures are in place to determine pay and conditions of employment which do not discriminate unlawfully and are free from gender bias. In order to ensure that the College pay system delivers equal pay for work of equal value and that jobs are fairly graded, the College has implemented an analytical job evaluation process. This policy therefore ensures a continuous focus on the job evaluation process as the means of reviewing relative pay in an objective and systematic manner.

The Performance Review and Remuneration Committee consider and make decisions on the remuneration package and conditions of service, and any changes thereof, of the College Principal and such other senior staff as is considered appropriate.

Remuneration including salary and pension entitlements

The College's External Auditor is required to audit certain parts of the Remuneration Report and give a separate opinion in their report on the Statement of Accounts as to whether the Remuneration Report has been properly prepared in accordance with the Regulations. All the tables in this report are therefore subject to audit.

Salary entitlements

The following tables provides detail of the remuneration and pension interests of senior management.

	Year ended 31 July 2018			Year ended to 31 July 2017		
Name	Salary £'000	Pension Benefit £'000	Total £'000	Salary	Pension Benefit £'000	Total £'000
Principal from 1 September 2017 – Chris O'Neil	95 - 100	59	154 - 159	-	-	-
Acting Principal to 31 August 2017, Depute Principal – Roddy Henry	75 - 80	-20	55 - 60	85 - 90	45	130 - 135
Director of Finance –	60 - 65	148	208 - 213	5 - 10	32	37 - 42

Inverness College UHI

Fiona Mustarde						
Director of Organisational Development – Lindsay Ferries	60 - 65	35	95 - 100	60 - 65	35	95 - 100
Head of Curriculum – Gillian Berkeley	50 - 55	-36	14 - 19	55 - 60	13	68 - 73
Head of Research – Melanie Smith	50 - 55	8	58 - 63	50 - 55	15	65 - 70
Director of Business Development – Georgina Parker	55 - 60	21	76 - 81	55 - 60	19	74 - 79
Head of Student Services – Lindsay Snodgrass	50 - 55	20	70 - 75	50 - 55	18	68 - 73

Movements in the pension benefit figures above also reflect changes relating to job role where these impacted on salaries and corresponding pension contributions. Specifically this has impacted on the pension benefit for the Depute Principal and the Head of Curriculum as they stepped down from additional responsibilities once the new Principal started in post, and the full year impact of the Director of Finance stepping up into post on 1 July 2017.

Median Remuneration

Colleges are required by the FReM to disclose the relationships between the remuneration of the highest paid official and the median remuneration of their workforce.

Based on the 12 month equivalent figures above, the banded remuneration of the highest paid official in the organisation in the financial year 2017/18 was £105,000 - £110,000 (2016/17 £105,000 to £110,000). This was 2.9 times (2016/17, 3.1 times) the median remuneration of the workforce which was £36,385 (2016/17, £34,564). The reduction in the ratio for median remuneration is due to the increase in median remuneration resulting from the implementation of the new national bargaining teaching staff pay model and support staff pay award

Accrued Pension Benefits

Pension benefits for employees are provided through the Scottish Teacher's Superannuation Scheme (STSS), a defined benefit scheme, which is notionally funded and contracted out of State Earnings-Related Pension Scheme and the Local Government Pension Scheme (LGPS).

Both STSS and LGPS are final salary pension schemes. This means that pension benefits are based on the final year's pay and the number of years that the person has been a member of the scheme.

Inverness College UHI

The LGPS scheme's normal retirement age is 65 for pre 1 April 2015 benefits. For post 31 March 2015 benefits, unless a member is aged 60 by 31 March 2020 and retirement age is protected, then normal retirement age will be linked to State Pension Age.

Contribution rates are set annually for all employees and can be found in note 21.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on final pensionable salary and years of pensionable service.

Senior Officials Pension

Pension benefits are provided to senior officials on the same basis as all other staff. The accrued pension benefits for senior officials are set out in the table below, together with the pension contributions made by the college.

Name	Accrued pension at pension age at 31 July 2018	Accrued lump sum at pension age 31 July 2018	Real Increase in pension 1 August 2017 to 31 July 2018	Real Increase lump sum 1 August 2017 to 31 July 2018	CETV at 31 July 2018	CETV at 31 July 2017	Real Increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Principal – Chris O'Neil	30	73	3	5	563	496	67
Depute Principal – Roddy Henry	18	39	0	-5	321	327	-6
Director of Finance – Fiona Mustarde	25	45	7	12	357	251	101
Director of Organisational Development – Lindsay Ferries	17	19	2	1	215	188	22
Head of Curriculum – Gillian Berkeley	19	57	-1	-4	410	427	-22
Head of Research – Melanie Smith	11	23	1	-1	173	161	12
Director of Business Development – Georgina Parker	3	0	1	0	39	25	10
Head of Student Services –	3	0	1	0	26	15	6

Inverness College UHI

Lindsay Snodgrass							
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Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time.

The value of the accrued pension benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service and not just their current appointment.

In considering the accrued pension benefits figures the following contextual information should be taken into account:

- (i) the figures for pension and lump sum are illustrative only in light of the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement.
- (ii) the accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period of time.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office

No employees left under voluntary exit terms during the year.

Salaries and Related Costs

	2018	2018	2018	2017
	Directly Employed Staff	Seconded and Agency Staff	Total	Total
Wages and salaries	11,480,497		10,782,353	10,782,353
Social Security Costs	1,100,927		1,017,140	1,017,140
Other pension costs	1,883,981		1,751,726	1,751,726
Total	14,465,405	194,208	13,785,635	13,551,219
Average number of FTE	368		351	351

Inverness College UHI

The College does not hold FTE data in respect of agency staff.

The College employed 291 females and 164 males as at 31 July 2018.

For the year to 31 July 2018, the College lost a total of 2,829 working days to sickness absence. This is an average absence rate of 3.5%.

Employee Matters

Employee and student representation is provided at Board level and the college operates a joint consultative committee structure for formal consultation with staff recognised trade unions. The College Committee structure also involves staff and students across the college (including trade union representation) in areas including equalities and health and safety.

The Audit Committee of the Board of Management oversees and scrutinises the performance of the College in light of the Health and Safety management System. Quarterly PI's are reported to the Health and safety Committee, SMT and the Board of Management. The College utilises the HASMAP (Health and Safety Management Profile) as defined by Universities Safety and Health Association (USHA) and is committed to achieving the highest level of quality assurance. In 2016, a new recording system 'SHE' for incident recording and management and risk assessment recording and management was introduced. 2017/18 saw an increase in PIs in relation to incident recording (including near miss information) and action planning to mitigate risk is more coordinated and consistent. An auditing schedule in line with our risk profiling has progressed over 2017/18 with further improvements in the use for SHE as a recording and management tool.

The College use a job evaluation system 'Evaluate', to evaluate all new posts and changes to posts. The gender pay gap as published in April 2018 was 8.8%, a significant decrease from the gender pay gap at the same point in 2013 of 11.27% and in 2014 of 11%.

In furthering our commitment and in line with the Equality Act and building on our successes, the College in April 2017 published our Equality and Diversity Mainstreaming Report and Equality Outcomes, and continues to report on progress on an annual basis. More recently we have enhanced our approach to access and inclusion through our Access and Inclusion strategy and gender action plan.

Curriculum and Workforce planning continue to operate hand in glove. Our staff development priorities continue to be to ensure that all teaching staff have a recognised teaching qualification and all managers have a recognised management qualification. Higher level qualifications and research to grow our HE provision have also been a focus for the year. Furthermore 2017/18 has considered other opportunities for leadership at every level and cross college projects to further enhance capacity and capability.

Trade Union Facility Time

Inverness College UHI

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the College provided the following support through paid facility time for union officials working at the College during the year ended 31 July 2018.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	4.6

Percentage of time spent on facility time

Percentage	Number of employees
0%	-
1%-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£24,014
Total pay bill	£15,818,251
Percentage of the total pay bill spent on facility time	0.15%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours	100%
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Inverness College UHI

CORPORATE GOVERNANCE REPORT

DIRECTORS REPORT

Membership of the Board of Management

The Members, who served on the Board of Management during the year 2017-18, and up to the date of the financial statements being signed on 18 December 2018, were as follows:

Name	Date of Appointment	Date of Resignation/ end of term	Status of Appointment	Committees served
John Wilson	11 June 2007 Appointed 1 August 2016	End of term 31 July 2016	Independent member	Vice Chair of Board SIM Performance Review and Remuneration (Chair) Search and Nomination Human Resources (Chair) Finance & General Purposes New Campus Project Board Chairs Committee Longman Disposal Project Board
Hazel Allen	13 May 2014 Appointed 1 August 2016	End of term 31 July 2016	Independent member	Audit (Chair) Performance Review and Remuneration Search and Nomination Chairs Committee New Campus Project Board Longman Disposal Project Board
Neil Stewart	13 May 2014 Appointed as Chair 1 January 2016	n/a	Independent member	Chair of Board Search and Nomination (Chair) Human Resources, Finance and General Purposes and Learning, Teaching & Research (ex officio member) Performance Review and Remuneration Chairs Committee (Chair) New Campus Project Board (Chair) Longman Disposal Project Board (Chair)
Helen Miller	1 August 2015	n/a	Support Staff member	Finance and General Purposes Learning, Teaching & Research
Brian Henderson	1 January 2016	n/a	Independent member	Finance & General Purposes (Chair) Performance Review and Remuneration Search and Nomination Chairs

Inverness College UHI

Lindsey Mitchell	1 January 2016	13 November 2017	Independent member	Audit Human Resources (Chair) Chairs Search and Nomination Performance, Review and Remuneration (Chair)
Steve Walsh	1 January 2016	n/a	Independent member	SIM Human Resources (Chair) Audit Chairs Search and Nomination Performance, Review and Remuneration (Chair)
Mick Longton	1 January 2016	Deceased – 26 October 2017	Independent member	Finance & General Purposes Learning, Teaching & Research Human Resources
Jaci Douglas	1 June 2016	n/a	Independent member	Audit Learning, Teaching & Research
Gavin Ross	1 June 2016		Independent member	Finance & General Purposes Learning, Teaching & Research New Campus Project Board Longman Disposal Project Board
Gabriel Starr	1 September 2016 Reappointed 1 September 2017	end of term 31 August 2018	Student Member	Learning, Teaching & Research
Kate White	12 September 2016	Resigned 1 March 2018	Teaching Staff Member	Learning, Teaching & Research
Sarah Burton	12 April 2017	n/a	Independent Member	Vice Chair of Board Learning, Teaching & Research (Chair) Audit Chairs Search and Nomination Performance, Review and Remuneration
Andrew Gray	12 April 2017	n/a	Independent Member	Finance & General Purposes Human Resources
Innes Montgomery	12 April 2017	n/a	Independent Member	Audit Human Resources
Fiona Neilson	12 April 2017 20 November 2017	n/a	Co-opted member Independent member	Audit Learning, Teaching & Research
Carron McDiarmid	12 April 2017 6 November 2017	n/a	Co-opted member Independent member	Finance & General Purposes Human Resources
Ollie Bray	19 June 2017	Resigned 2 October 2018	Independent member	Learning, Teaching & Research
Tom Speirs	12 June 2017 11 October 2018	n/a	Co-opted Member Independent Member	Learning, Teaching & Research Finance & General Purposes
Robert Berg	1 September 2017	Resigned 31 December 2017	Student Member	Learning, Teaching & Research

Inverness College UHI

Chris O'Neil	1 September 2017	n/a	Principal	Human Resources, Finance and General Purposes and Learning, Teaching and Research (ex officio member) New Campus Project Board Longman Disposal Project Board
Robyn Kennedy	21 March 2018	n/a	Teaching Staff Member	Learning, Teaching and Research
Chris Shaw	1 January 2018	End of term 31 August 2018	Student Member	Learning, Teaching and Research
Andrew Bowie	1 September 2018	n/a	Student Member	Learning, Teaching and Research
Shawna-Leigh MacKinnon	1 September 2018	n/a	Student Member	Learning, Teaching and Research

Sadly, one of our Board members passed away in October 2017. The College would like to express our thanks to Mick Longton for his valued contribution during his time as a member of the Board.

The Board Secretary maintains a register of financial and personal interests of the Board members. The Register is available for inspection at

Inverness College UHI

1 Inverness Campus

INVERNESS IV2 5NA

or on the College Website - www.inverness.uhi.ac.uk/about-us/board-of-management

Senior Management Team

Members of the Senior Management Team who influence the decisions of the college as a whole

Name	Position held	Date appointed
Roddy Henry	Depute Principal	26 August 2013
Lindsay Ferries	Director of Organisational Development	30 July 2007
Georgie Parker	Director of Business Development	7 September 2015
Fiona Mustarde	Director of Finance	1 July 2017
Chris O'Neil	Principal and Chief Executive	1 September 2017

Inverness College UHI

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITIES

The members of the Board of Management of the College are required to present audited financial statements for each financial year.

Within the terms and conditions of the revised financial memorandum agreed between the University of the Highlands and Islands (Regional Strategic Body) and the Board of Management of the College, the Board, through its Principal, is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements the Board is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.
- Indicate how the College has complied with good practice in corporate governance.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements comply with the Further and Higher Education (Scotland) Act 1992 together with the Financial Memorandum issued thereunder, also having regard to compliance with the Scottish Public Finance Manual, and are presented in accordance with the Accounts Direction issued from time to time by the SFC.

It has general responsibility for taking such steps that are reasonably open to it to safeguard assets of the College and to prevent and detect fraud and other irregularities including any significant problems disclosed in the annual financial statements.

Members of the Board are responsible for ensuring that funds are used only in accordance with the Financial Memorandum with the University of the Highlands and Islands and any other conditions which the University may from time to time prescribe. Members of the Board must ensure that there are appropriate financial and management controls in place sufficient to safeguard public funds and ensure that they are used only in accordance with the conditions under which they have been made available.

In addition, members of the Board are responsible for securing the economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the Board are not put at risk.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

GOVERNANCE STATEMENT

Introduction

The College is committed to complying with best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles of the Code of Conduct for Members of the Board of Management of Inverness College UHI, and the 2016 Code of Good Governance for Scotland's Colleges. Their purpose is to help the reader of the financial statements understand how the principles have been applied. It is a condition of the Financial Memorandum with the University of the Highlands and Islands (RSB) that the governing body of Inverness College UHI meets the principles of good governance set out in the 2016 Code of Good Governance for Scotland's Colleges

It is the Board of Management's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board of Management also takes cognisance of the Guide for Board Members in the College Sector, which complements the Code of Good Governance for Scotland's Colleges and also guidance notes as issued from time to time by Colleges Scotland and applies good practice recommendations where appropriate.

The Board of Management is of the view that there is an on-going process for identifying, evaluating and managing the College's significant risks that have been in place for the year ended 31 July 2018 and up to the date of the approval of the annual report and accounts. This process is regularly reviewed by the Board of Management and it accords with the guidance as issued by the Scottish Funding Council.

Governing Body

The Board of Management is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters, human resources performance indicators and health and safety matters. The Board of Management met six times in 2017/18.

The Board conducts its business through a number of committees. Each committee has formally constituted terms of reference. These committees include:

- Audit Committee.
- Finance and General Purposes Committee
- Performance Review and Remuneration Committee
- Learning, Teaching & Research Committee (formerly Learning and Teaching Committee)
- Human Resources Committee
- Search and Nomination Committee
- Chairs Committee
- New Campus Project Board
- Longman Disposal Project Board

Inverness College UHI – SC021197

Committee membership is agreed by the Board and comprises Board members, one of whom is appointed the committee Chair and one the Vice Chair, and are attended and supported by appropriate senior managers at the College.

The Board is supported by an independent Board Secretary. There is a clear division of responsibility in that the roles of the Chair and Principal are separate. The Board considers that each of its non-executive members is independent of management and free from any business or other relationships which could materially interfere with the exercise of independent judgement.

The Board operates according to the terms of its Constitution and Standing Orders. The College has an approved Scheme of Delegation specifying which decisions are reserved by the Board and those matters delegated to management. The final part of the Articles of Governance, namely the Terms of Reference of the Board of Management and its Committees were reviewed in October 2017.

The Board has had stability of independent membership throughout 2017-18. One of the student board members resigned at the end of December 2017 and the Highlands and Islands Student Association nominated a replacement. The Teaching Staff member resigned in March 2018. Following an election process (which complied fully with the rules for election of staff members to the Board) one nomination was received and the individual was duly elected as Teaching Staff member.

Board development is recognised as an integral part of board membership. Board Members and members of the Senior Management Team attended a Board Development day in April 2018 which focussed on team building, funding methodologies, the college barometer and risk appetite. Board Members have also attended a number of training and development sessions throughout the year including staff and student board member training and the mandatory governance workshops provided by CDN; briefings on finance, equality and diversity and health and safety and the Board members conference in May 2018

Attendance records of Board members at Board and committee meetings are maintained by the Board Secretary and reviewed by the Chair.

The agendas, papers and minutes of all meetings, except those deemed to be confidential by the Board, are available from the Board Secretary at:

Inverness College UHI
1 Inverness Campus
INVERNESS IV2 5NA

or on the college website at

www.inverness.uhi.ac.uk/about-us/board-of-management

Formal agendas, papers and reports are issued electronically to Board members in a timely manner prior to meetings. Briefings are also provided on an ad hoc basis.

The Board of Management has completed all actions within its control, which were identified in the March 2017 external review of Board effectiveness and from the annual self evaluation review. The Audit, Finance and General Purposes, Learning,

Inverness College UHI – SC021197

Teaching and Research and Human Resources Committees each carried out an annual appraisal of their effectiveness in 2017-18. Board Chair and Committee evaluations have also been completed.

Audit Committee

The Audit Committee comprises at least five non-executive members of the Board of Management (excluding the Principal and Chair of the Board). The Committee operates in accordance with written terms of reference approved by the Board of Management. The Committee met five times in 2017/18.

The Committee is established in accordance with the Financial Memorandum between the University of the Highlands and Islands and the Board of Management of Inverness College UHI. Its remit is to review and monitor governance, risk management, adequacy of financial management, consider value for money and receive reports and monitor progress on recommendations from internal and external audit and advise the Board appropriately. The Audit Committee advises the College on the appointment of the internal auditors and the auditors' remuneration. The Committee prepares an annual audit report for consideration by the Board of Management.

Finance and General Purposes Committee

The Finance and General Purposes Committee comprises at least five members of the Board of Management. The Committee operates in accordance with written terms of reference approved by the Board of Management. The Committee met four times in 2017/18.

The Finance and General Purposes Committee amongst other matters, recommends to the Board of Management the College's annual revenue and capital budgets, monitors performance in relation to the approved budgets, considers issues relating to the operation of the College estate and reviews other matters of general purpose which are not covered under other committees' terms of reference.

Performance Review and Remuneration Committee

The Performance Review and Remuneration Committee comprises seven non-executive members of the Board of Management. The Committee operates in accordance with written terms of reference approved by the Board of Management. The Committee met once in 2017/18. All members of the Committee have completed the mandatory remuneration training.

The Committee monitors the performance review and remuneration of the Principal and such other senior staff as is considered appropriate

Statement of Compliance

The College complies with all the principles of the 2016 Code of Good Governance for Scottish Colleges, and it has complied throughout the year ended 31 July 2018.

Corporate Strategy

The Board of Management is responsible for the overall strategic development of the College and is the guardian of its vision and mission. The College Strategic Plan for 2017/20 was approved by the Board of Management in December 2016. A number of supporting strategies were developed over the early part of 2017 and were approved by the Board of Management at its meeting in June 2017. The final

Inverness College UHI – SC021197

supporting Strategy, the International Strategy was approved by the Board of Management at its meeting in June 2018.

For senior management appointments there is at least one Board member representative on the interview panel.

The Board maintains a comprehensive area of the College website, which includes information on the Board members, the committee structure, committee membership and board and committee minutes and agendas.

Estates Strategy

The Estates Strategy 2017/20 has been developed to support the strategic aims and objectives of the College. The provision of high quality buildings, facilities and equipment to support learning and teaching is fundamental to all aspects of the College's Strategic Plan, Values, Vision and Commitments. The Estates Strategy takes into account the current and anticipated environmental context facing the College. This includes:

- The continued pressures on Government funding and activity levels,
- The College's Regional Outcome Agreement (2017-20); and
- Scottish Government Priorities including Developing the Young Workforce.

The aim of the Estate Strategy is to:

- Ensure the College provides fit for purpose learning and working accommodation;
- Ensure the College has high quality buildings, facilities and equipment which support the curriculum offer;
- Utilise building capacity and space efficiently;
- Maximise the value of the estate for existing uses and consideration of alternative uses and partnership working, co-location or shared services;
- Ensure the College is managing its environmental impact and has appropriate carbon reduction plans in place; and
- Protect the public sector investment in the estate operated by the College for the long term.

Risk Management and Internal Control

The Board of Management is responsible for the College's system of internal control and for reviewing its effectiveness. The system is designed to manage rather than eliminate the risk of failure to achieve business objective, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Management has delegated day-to-day responsibility to the Principal to maintain a sound system of internal control that supports the achievement of the College's aims and objectives whilst safeguarding the public funds and assets, in accordance to the responsibility assigned in the Financial Memorandum between the University of the Highlands and Islands and Inverness College UHI. He is also responsible for reporting to the Board of Management any material weakness or breakdowns in internal control.

Inverness College UHI – SC021197

The Board has adopted the strategic risk register format which is consistent across the UHI Partnership and has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate these risks. The Board of Management is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that have been in place for the period ending 31 July 2018 and up to the date of approval of the annual report and accounts.

The system of internal control is based on a framework of management information, administrative processes including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board of Management.
- Clear definitions of the responsibilities of, and the authority to delegate to the Depute Principal and other members of the Senior Management Team.
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets.
- Regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns.
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board;
- Comprehensive Financial Regulations approved by the Board of Management
- The adoption of formal project management disciplines.

Inverness College UHI appoints a professional Internal Audit service. Its work is informed by an analysis of risks to which the College is exposed and development of an annual programme of work approved by the Audit Committee and endorsed by the Board of Management. The Internal Auditors provide the Board of Management with reports on internal audit activity within the College. These reports include an independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

The Audit Committee considers risk at each Committee meeting and reports annually to the Board of Management. The Internal Auditors have direct access to the Chair of the Board of Management and to the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and the Internal Auditors undertake periodic follow-up reviews to ensure that such recommendations have been implemented. The Audit Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans.

The Board of Management recognise that the most significant risk to the College relates to financial sustainability. Whilst this risk has been present on the risk register for some time, it is becoming a higher risk due to a number of factors, the combined effects of which pose serious challenges for the UHI partnership and the College. A new Finance Strategy is being developed and action against this strategy will provide risk mitigation. Positive engagement with UHI Executive Office and partner institutions will form a key element to minimise this risk.

Inverness College UHI – SC021197

The Internal Auditors have direct access to the Chair of the Board of Management and to the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and the Internal Auditors undertake periodic follow-up reviews to ensure that such recommendations have been implemented. The Audit Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans.

Significant lapses of data security

There were no significant lapses of data security in 2017/18

Going Concern

In August 2015, the College moved into 1 Inverness Campus and the balance sheet reflected the capitalisation of the new assets. This development was funded through an NPD arrangement and the College pays a unitary charge for these assets. The accounting treatment for this is as for a finance lease. The structure is such that in the initial years the capital repayment is low with the interest being higher. During the course of the contract, this will reverse with the capital repayment increasing and the interest element decreasing. Whilst this impacts on the presentation of our financial position, in cash terms there is little impact as the unitary charge payments are largely funded by the Scottish Funding Council.

The Board of Management recognise the challenge faced for ongoing financial sustainability. Rigorous in-year management of resources and additional contract activity for 2018/19 and beyond, and implementing the outcomes of a comprehensive curriculum review for the following academic years, are some of the actions on which management are fully focussed to address the potential future deficits identified in financial forecasting.

The Board of Management considers that the College is a going concern as it has adequate resources to continue in operational existence and the financial statements have been prepared on this basis.

Although the College has net liabilities, this is due to the pension scheme liability and the cash position remains healthy.

Conclusion

The College complies with all the principles of the 2016 Code of Good Governance for Scottish Colleges, and it has complied throughout the year ended 31 July 2018.

Approved by order of the members of the Board of Management on 18 December 2018 and signed on its behalf by:

Neil Stewart
Chair

Professor Christopher O'Neil
Principal and Chief Executive Officer

Independent Auditor's Report

Independent auditor's report to the members of the Board of Management of Inverness College, the Auditor General for Scotland and the Scottish Parliament

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Inverness College for the year ended 31 July 2018 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, and Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the college's affairs as at 31 July 2018 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report to the members of the Board of Management of Inverness College, the Auditor General for Scotland and the Scottish Parliament (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the college has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Board of Management for the financial statements

As explained more fully in the Statement of the Board of Management's Responsibilities, the Board of Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management is responsible for assessing the college's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other information in the annual report and accounts

The Board of Management is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the remuneration and staff report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

Independent auditor's report to the members of the Board of Management of Inverness College, the Auditor General for Scotland and the Scottish Parliament (continued)

Other information in the annual report and accounts (continued)

In connection with our audit of the financial statements in accordance with ISAs (UK), our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Board of Management is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on other matters prescribed by the Auditor General for Scotland

In our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

In our opinion, based on the work undertaken in the course of the audit

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

Independent auditor's report to the members of the Board of Management of Inverness College, the Auditor General for Scotland and the Scottish Parliament (continued)

Matters on which we are required to report by exception

We are required by The Charities Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Stephen Reid, (for and on behalf of Ernst & Young LLP)
Ernst & Young LLP,
Atria One
144 Morrison Street,
Edinburgh,
EH3 8EX

Date:

Ernst & Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Comprehensive Income
Year Ended 31 July 2018

	Notes	2018 £	2017 £
Income			
Funding Council Grants	2	18,813,814	19,766,585
Tuition fees and education contracts	3	4,374,985	3,828,431
Other income	4	3,141,750	2,901,281
Investment income	5	<u>4,197</u>	<u>4,708</u>
Total Income		<u>26,334,746</u>	<u>26,501,005</u>
Expenditure			
Staff costs	6	15,818,251	14,559,692
Other operating expenses	8	6,799,274	6,346,608
Depreciation and impairment	11	1,736,365	1,839,411
Interest payable	9	<u>3,424,054</u>	<u>3,405,613</u>
		<u>27,777,944</u>	<u>26,151,324</u>
(Deficit) / surplus before other gains and losses		(1,443,198)	349,681
(Loss) on disposal of fixed assets		0	(183,274)
(Deficit) / surplus before tax		<u>(1,443,198)</u>	<u>166,407</u>
Actuarial gain/(loss) in respect of pensions		<u>7,157,000</u>	<u>(164,000)</u>
Total comprehensive income for the year		<u>5,713,802</u>	<u>2,407</u>
Represented by:			
Unrestricted funds		<u>5,713,802</u>	<u>2,407</u>

The Statement of Comprehensive Income is in respect of continuing activities and is prepared under the FE/HE SORP. The FE/HE SORP does not permit colleges to reflect the non-cash budget for depreciation in the Statement of Comprehensive Income. Note 1b provides details of the adjusted operating position on a Central Government accounting basis.

Statement of Changes in Reserves
Year Ended 31 July 2018

	Unrestricted Funds £
Balance at 1st August 2016	(8,540,624)
Surplus / (deficit) for the year	166,407
Actuarial gain / (loss) in respect of pensions	<u>(164,000)</u>
Balance at 31st July 2017	(8,538,217)
(Deficit) for the year	(1,443,198)
Actuarial gain / (loss) in respect of pensions	<u>7,157,000</u>
Balance at 31st July 2018	<u>(2,824,415)</u>

Balance Sheet**Year Ended 31 July 2018**

	Notes	2018 £	2017 £
Non-current assets			
Tangible fixed assets	11	<u>50,933,057</u>	<u>52,252,859</u>
Current assets			
Debtors	12	815,921	451,536
Cash and cash equivalents		<u>4,060,499</u>	<u>3,763,193</u>
		4,876,420	4,214,729
Creditors: amounts falling due within one year	13	(6,257,341)	(7,117,497)
Net current (liabilities) / assets		<u>(1,380,921)</u>	<u>(2,902,768)</u>
Total assets less current liabilities		49,552,136	49,350,091
Creditors: amounts falling due after one year	14	(45,595,141)	(44,916,894)
Provisions	15	<u>(6,781,410)</u>	<u>(12,971,414)</u>
Total net (liabilities) / assets		<u>(2,824,415)</u>	<u>(8,538,217)</u>
Unrestricted reserves		<u>(2,824,415)</u>	<u>(8,538,217)</u>

**The accounts were approved by the Board of Management
on 18 December 2018 and signed on its behalf by:**

Neil Stewart
Chair

Professor Christopher O'Neil
Principal and Chief Executive Officer

Statement of Cash Flows
Year Ended 31 July 2018

	Notes	2018 £	2017 £
Cashflow from Operating Activities			
Deficit for the year		(1,443,198)	166,407
Adjustment for non-cash items			
Depreciation and impairment	11	1,736,365	1,839,411
Pension costs less contributions payable		1,197,000	913,000
(Increase) / Decrease in debtors	12	(364,385)	(41,785)
(Decrease)/Increase in creditors – less than one year	13	(860,156)	(518,533)
Increase/(Decrease) in creditors – more than one year	14	678,247	(3,678,970)
(Decrease)/Increase in early retirement and other provisions	15	(230,004)	(9,308)
Adjustments for investing or financing activities			
Interest payable	9	294,000	243,932
Interest elements of NPD finance lease	9	3,130,054	3,161,681
Investment Income	5	<u>(4,197)</u>	<u>(4,708)</u>
Net cash inflow from operating activities		4,133,726	2,071,127
Cash flows from Investing and financing activities			
Interest payable	9	(294,000)	(243,932)
Interest element of NPD finance lease	9	(3,130,054)	(3,161,681)
Investment Income	5	4,197	4,708
Proceeds from sales of fixed assets		0	2,195,000
Payments made to acquire fixed assets	11	<u>(416,563)</u>	<u>(445,624)</u>
Increase/(decrease) in cash in the year		297,306	419,598
Cash at the beginning of the year		<u>3,763,193</u>	<u>3,343,595</u>
Cash at the end of the year		<u>4,060,499</u>	<u>3,763,193</u>

Notes to the Financial Statements for the Year Ended 31 July 2018

1a. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements are prepared in accordance with the Further & Higher Education (Scotland) Act 1992, the 2015 Statement of Recommended Practice (SORP) 2015: Accounting in Further and Higher Education and in accordance with applicable Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Government Financial Reporting Manual 2015-16 (FReM). The financial statements conform to the accounts direction published by the Scottish Funding Council (SFC) in July 2018.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of Accounting

The financial statements are prepared on a going concern basis in accordance with historical cost convention modified by the revaluation of certain fixed assets.

Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, the Board of Management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Board of Management are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Valuation of buildings

College buildings are of a specialist nature and are valued on a periodic basis by an independent, qualified valuer.

Useful economic lives of buildings

Buildings are depreciated over their expected remaining useful economic life as assessed by an independent, qualified valuer. Buildings owned by the College are split into components and each component is valued and depreciated separately. Land owned by the College is not depreciated.

Recoverable amount of trade debtors

Trade debtors are reviewed by appropriately experienced senior management team members with appropriate provision for non-payment of debt being charged to the financial statements as required.

Obligations under defined benefit pension schemes

The Board of Management has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

Inverness College UHI – SC021197

Recognition of Income

Income from grants, contracts and other services rendered is recognised in the income and expenditure account in proportion to the extent of completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned. The main annual recurrent grant from SFC, which is intended to meet recurrent costs, is credited directly to the income and expenditure account.

Tuition fees are credited to the Income and Expenditure Account in the year in which they are earned. The College operates a fee waiver policy that provides free access to education to students where they have special educational needs, or they or their partner is receiving a form of recognised benefit.

Government Capital grants

Government Capital Grants, as amounts approved by The Scottish Government or government agency, are paid to the College as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income in accordance with the accrual model as permitted by FRS 102 over the useful life of the asset it relates to on completion of the development phase. The accrual model requires the College to recognise income on a systematic basis over the period in which the College recognises the related costs for which the grant is intended to compensate.

Government revenue grants

Government revenue grants are recognised using the accrual model which means the College recognises the grant in income on a systematic basis over the period in which the College recognises the related costs for which the grant is intended to compensate.

Non-Government grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Pension Schemes

The College participates in two multi-employer defined benefit pension schemes.

Teaching staff may join the Scottish Teachers' Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency (SPPS). Inverness College is unable to identify its share of the underlying assets and liabilities of the STSS on a consistent and reasonable basis and therefore, as required by FRS 102 'retirement benefits', accounts for its participation in the STSS as if it were a defined contribution scheme. The contributions are determined by qualified actuaries on the basis of periodic valuations and are recognised in the accounting periods in which they arise.

Inverness College UHI – SC021197

Administrative and support staff may join the Local Government Pension Scheme (LGPS) which is administered by Highland Council. The fund is a defined benefit pension scheme, providing benefits based on final pensionable pay, which is contracted out of the State Earnings-Related Pension Fund. The contributions are determined by qualified actuaries on the basis of periodic valuations using the projected unit method.

The pension provision shown in the balance sheet has been calculated in accordance with instructions issued by the Scottish Funding Council, using an updated set of actuarial factors that reflect a trend of increased life expectancy.

Tangible Fixed Assets - Land and Buildings

New Campuses

The College procured its new campus buildings at Balloch and Inverness using the Scottish Futures Trust's Non-Profit Distributing (NPD) model (additionally see Service Concession Arrangements note to the accounts, below). The buildings were handed over to the College in July and August 2015 in time for the 2015/16 academic year. Each building design combines an inspirational external appearance with a technologically advanced and functional fit-out to cater for the College's broad FE and HE curricula.

The new NPD assets were capitalised in 2015/16 and are included as fixed assets under land and buildings. The buildings will be depreciated over their expected useful lives of 60 years on a straight line basis. As required by FRS102 the NPD assets are stated at fair value; they were valued by Graham and Sibbald, Chartered Surveyors using the UKGN2 Depreciated Replacement Cost method of valuation as at 1st August 2015.

The related debt is included in the balance sheet as a creditor and is repaid over a 25 year term. The College makes monthly unitary charge payments which include the capital element of the loan together with interest, facilities management and building lifecycle costs which are reported in the income and expenditure account. The Scottish Funding Council provides the College with grants to fund the unitary charge payments with the exception of the facilities management costs and 50% of the building lifecycle costs.

Former Campus

Land and Buildings inherited from the local authority were stated in the balance sheet at valuation (by Shepherd, Chartered Surveyors, in September 2015) less amounts written off by way of depreciation. In 2015/16 the former Longman Campus buildings were fully written down, just leaving the land value remaining.

Tangible Fixed Assets - Equipment

Individual items of equipment costing £5,000 or more (£30,000 or more for grouped items) are capitalised as Fixed Assets on the Balance Sheet. Equipment costing less than these amounts are written off to the income and expenditure account in the period of acquisition.

Inverness College UHI – SC021197

Equipment is depreciated over its expected useful economic life, on a straight line basis with a full year of depreciation charged in the year of acquisition, as follows:

Equipment	6.7 years (15% per year)
Fixtures and Fittings	5 years (20% per year)
Computer equipment	3 years (33.3% per year)

Where Fixed Assets are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grant is credited to a deferred income account and is released to the income and expenditure account over the expected useful economic life of the related asset, on a basis consistent with the depreciation policy or in the case of an NPD asset over the unitary charge payments period.

Subsequent Expenditure on Existing Fixed Assets

Where significant expenditure is incurred on tangible fixed assets, it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Asset capacity increases
- Substantial improvement in the quality of output or reduction in operating costs
- Significant extension of the asset's life beyond that conferred by repairs and maintenance

Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Leasing agreements, which transfer to the college substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

Assets which are held under hire purchase contracts, which have the characteristics of finance leases, are depreciated over their useful economic lives.

Service Concession Arrangements

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

Inverness College UHI – SC021197

Maintenance of Premises

The College annually determines its maintenance programme which is considered and approved by the Board's Finance and General Purposes Committee. The College has an Estates Strategy in place to meet the aims of the Strategic Plan. The cost of maintenance is charged to the income and expenditure account in the period in which it is incurred.

Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the rate of exchange. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year-end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by the Scottish Funding Council.

Unfunded pensions are accounted for under FRS 102 as required by the Accounts Direction issued by the Scottish Funding Council.

Taxation

As a registered charity the college benefits by being broadly exempt from corporation tax on income it receives from tuition fees, interest and rents. The College is exempted from levying VAT on most of the services it provides to students. For this reason the College is generally unable to recover input VAT it suffers on goods and services purchased.

Agency Arrangements

The College acts as an agent in the collection and payment of certain Student Support Funds. These funds are excluded from the income and expenditure account, and movements have been disclosed in the notes to the accounts. Where the College has more discretion in the manner in which specific funds are disbursed, and these funds do not meet the definition of agency funds, the income and expenditure relating to those funds are shown in the College income and expenditure account.

Financial instruments

Financial instruments are recognised in the Balance sheet when the College becomes party to the contractual provisions of the instrument. All of the College's financial instruments are classified as 'basic' in accordance with Chapter 11 of FRS102. All of the College's financial instruments are initially measured at transaction price. At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or when the College has transferred substantially all the risks and

Inverness College UHI – SC021197

rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Employee benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Interest receivable

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Going concern

The Board of Management is satisfied that it has adequate resources to continue in operation for the foreseeable future, for this reason the going concern basis continues to be adopted in the preparation of the financial statements. Further detail is provided under going concern, page 37, in the Governance Statement.

1b Non-cash Budget

	2017-18 £'000	2016-17 £'000
Deficit before other gains and losses (FE/HE SORP basis)	(1,443)	350
Add: Depreciation budget for government funded assets (net of deferred capital grant) for academic year	496	(145)
Operating deficit on Central Government accounting basis for academic year	(947)	205

Following reclassification, colleges received a non-cash budget to cover depreciation but this additional budget is not recognised under the FE/HE SORP accounting rules. Colleges may show a deficit equivalent to net depreciation as a result of

Inverness College UHI – SC021197

having to meet Government accounting rules and the requirement to spend the entire cash allocation.

Under the FE/HE SORP, the College recorded an operating deficit of £1,443,197 for the year ended 31 July 2018. After adjusting for the non-cash allocation provided under government rules, the College shows an "adjusted" deficit of £947,197 on a Central Government accounting basis.

The deficit is attributable to other factors that are reflected in the adjusted operating table on page 16. These are non-cash pension adjustments, and the net impact of depreciation related to the new campus buildings not covered by deferred capital grant due to the NPD funding model. The College is therefore operating sustainably within its funding allocation.

Inverness College UHI - SC021197

2. Funding Council Grants

	2018	2017
	£	£
SFC Further Education Recurrent Grant	7,999,542	7,742,009
UHI Recurrent Grant	4,427,655	4,417,063
Childcare funds	256,192	235,565
Other specific SFC Grants	4,898,007	4,860,072
Other specific UHI Grants	630,014	527,003
Release of deferred grants (note 16)	602,403	1,984,873
	<u>18,813,814</u>	<u>19,766,585</u>

3. Tuition fees and education contracts

	2018	2017
	£	£
Higher Education - Home and EU	2,751,008	2,304,270
Higher Education - Overseas	39,523	97,613
Further Education - Home	703,344	830,160
Education contracts	881,110	596,388
	<u>4,374,985</u>	<u>3,828,431</u>

4. Other income

	2018	2017
	£	£
Other income generating activities	1,754,833	1,531,318
Other grant income	105,525	2,000
Research Income	425,120	
Other income	856,272	1,367,963
	<u>3,141,750</u>	<u>2,901,281</u>

5. Investment income

	2018	2017
	£	£
Bank interest	<u>4,197</u>	<u>4,708</u>

6. Staff costs

The average monthly number of persons (including senior post-holders) employed by the College during the period, expressed a full-time equivalents was:

	2018	2017
	Number	Number
Academic/Teaching departments	186	178
Academic/Teaching services	12	11
Research grants and contracts	9	7
Administration and central services	109	105
Premises	9	7
Residences and catering	19	18
Other expenditure	24	25
	<u>368</u>	<u>351</u>

Staff costs for the above persons:

	2018	2017
	£	£
Wages and salaries	12,810,674	11,790,825
Social security costs	1,110,291	1,017,140
Other pension costs	1,897,285	1,751,727
	15,818,251	14,559,692
Academic/Teaching departments	8,521,654	8,060,269
Academic/Teaching services	771,611	776,162
Research grants and contracts	514,889	444,088
Administration and central services	4,826,217	4,179,745
Premises	270,300	268,256
Residences and catering	408,349	360,176
Other expenditure	505,232	470,996
	15,818,251	14,559,692
Staff costs on permanent contracts	15,297,881	14,039,322
Staff costs for short-term and temporary contracts	520,370	520,370
	15,818,251	14,559,692

The number of staff, including senior post-holders and the Principal, who received emoluments (including benefits in kind but excluding pension contributions) in the following ranges was:

	2018	2017
	Number	Number
£60,001 to £70,000	2	1
£70,001 to £80,000	1	0
£80,001 to £90,000	0	1
£90,001 to £100,000	1	1
£100,001 to £110,000	0	0

The outcome of the national bargaining pay negotiations has led to a transitional salary scale to be applied during the implementation period. The transitional scale came into effect on 1 April 2017 and the first payment against this was paid to unpromoted teaching staff in July 2017. Support staff agreed a pay award for 2016/17 of £550 effective from 1 April 2016. £100 of this was paid in June 2016 pending final agreement of the pay award. Once agreement was reached, a further uplift was applied in January 2017.

7. Senior post-holders' emoluments

	2018	2017
	Number	Number
Number of senior post-holders including the Principal	8	7
Senior post-holders emoluments are as follows:	£	£
Salaries	521,252	483,153
Pension contributions	89,417	48,657
	610,669	531,810

Emoluments payable to the Principal, who is also the highest paid senior post-holder:

	£	£
Salary	97,704	93,538
Pension contributions	16,805	10,607
	114,509	104,145

The Principal is an ordinary member of the Scottish Teachers' Pension Scheme. The College's contributions to the scheme, in relation to the Principal, are paid at the same rate as for other members of academic staff. The Principal left on 4 June 2017. The new Principal did not start until 1 September 2017. During the interim period, the Depute Principal was Acting Principal until 31 August 2017.

The members of the Board of Management, other than the Principal and staff, did not receive any payment from the College other than reimbursement of travel and subsistence expenses incurred in the course of their duties.

8. Other operating expenses

	2018	2017
	£	£
Academic/Teaching departments and services	671,465	760,700
Research grants and contracts	385,571	199,810
Administration and central services	3,584,711	3,568,544
Premises	1,614,573	1,266,007
Residences and catering	491,976	513,163
Other expenditure	50,979	38,384
	6,799,274	6,346,608

Other operating expenses include:

Auditors remuneration (including irrecoverable VAT)		
Internal audit	23,440	25,912
External audit	16,090	15,930
External audit EMA	1,362	1,200
Rents under operating leases:		
Land and buildings	12,000	12,000
Other assets	63,518	47,771

9. Interest payable	2018	2017
	£	£
Interest on pension liabilities	294,000	243,932
Interest on finance lease NPD concession	3,130,054	3,161,681
	<u>3,424,054</u>	<u>3,405,613</u>

10. Taxation

As a registered charity, the College is exempt from corporation tax on the income it receives from tuition fees, interest and rents and therefore the College Board believes it has no liability in this regard.

11. Tangible fixed assets	Land and Buildings	Equipment	Total
	£	£	£
Cost or valuation			
At 1 August 2017	51,163,766	5,768,093	56,931,859
Additions	266,707	149,856	416,563
Disposals			0
At 31 July 2018	<u>51,430,473</u>	<u>5,917,949</u>	<u>57,348,422</u>
Depreciation			
At 1 August 2017	1,901,795	2,777,205	4,679,000
Depreciation charge for year	804,679	931,686	1,736,365
Disposals		-	0
At 31 July 2018	<u>2,706,474</u>	<u>3,708,891</u>	<u>6,415,365</u>
Net book value at 31 July 2018	<u>48,723,999</u>	<u>2,209,058</u>	<u>50,933,057</u>

Land and buildings with a net book value of £1,273,320 have been financed by exchequer funds. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the University of the Highlands and Islands, to surrender the proceeds.

12. Debtors	2018	2017
	£	£
Trade debtors	351,424	236,095
Accrued income	328,104	67,448
Financial instrument assets	679,528	303,543
Prepayments	136,393	147,993
	<u>815,921</u>	<u>451,536</u>

13. Creditors: Amounts falling due within one year	2018	2017
	£	£
Trade creditors	1,039,800	443,454
Service concession NPD creditor (see note 14)	580,172	529,771
Accruals	3,411,623	3,198,802
Financial instrument liabilities	5,031,595	4,172,027
Deferred income	311,187	2,349,696
Deferred grant income	591,849	292,571
Payroll taxes and social security	322,709	303,203
	6,257,341	7,117,497

14. Creditors: Amounts falling due after one year	2018	2017
	£	£
Service concession NPD creditor (see note below)	36,891,054	37,464,429
Financial instrument liabilities	36,891,054	37,464,429
Deferred grant income	8,704,087	7,452,465
	45,595,141	44,916,894

Service Concession Arrangements

The new Campuses are held under a Service Concession Arrangement which, at a minimum, will be repaid as follows:

	Within One Year	Two - Five Years	More than Five Years	Total
	£	£	£	£
NPD liability creditor repayment	580,172	2,958,233	33,932,821	37,471,226
Interest thereon	3,086,865	11,819,234	30,298,781	45,204,880
Service charges	633,719	2,697,314	14,732,582	18,063,615
VAT	860,151	3,494,956	15,792,837	20,147,944
	5,160,907	20,969,737	94,757,021	120,887,665

Under the arrangements the College makes monthly Service Charge "Unitary Charge" payments. These include capital repayment element of the liability which reduces the amount outstanding in Creditors in the Balance Sheet.

Also within the Unitary Charge are charges for interest on the debt outstanding together with premises service charges both of which are included within the Statement of Comprehensive Income, under Interest payable and Other operating expenses respectively.

The term of the debt is 25 years and the contract end date is 30 April 2040.

The College could deduct amounts where Availability and Performance fell short of contract, during the early period of occupancy.

The Scottish Funding Council provides the College with grants to fund the Unitary Charge with the exception of facilities management costs and 50% of lifecycle costs.

15. Early Retirement and Other Provisions

	Early Retirement Pension £	Defined Pension Liability £	Other Provisions £	Total £
At 1 August 2016	2,186,481	9,232,000	485,241	11,903,722
Expenditure in period	(115,698)			(115,698)
Provision in period	129,710	1,077,000	(34,252)	1,172,458
Interest charged	10,932			10,932
At 31 July 2017	<u>2,211,425</u>	<u>10,309,000</u>	<u>450,989</u>	<u>12,971,414</u>
At 1 August 2017	2,211,425	10,309,000	450,989	12,971,414
Expenditure in period	(117,581)			(117,581)
Provision in period	(59,612)	(5,960,000)	(52,811)	(6,072,423)
Interest charged	0			0
At 31 July 2018	<u>2,034,232</u>	<u>4,349,000</u>	<u>398,178</u>	<u>6,781,410</u>

The pension provision has been revalued using actuarial tables supplied by the Scottish Funding Council. The net interest rate applied was 0%. The above liability is in respect of future pension liabilities arising from early retirals.

The pension liability is as per the actuarial report valuation.

The other provisions relate to the potential for ESF clawback and the unfunded liability on the LGPS pension fund as per the FRS102 report.

16. Deferred Income

	SFC £	Other £	Total £
At 1 August 2017			
Land and Buildings	4,994,093	1,757,439	6,751,532
Equipment	993,504	0	993,504
Cash received			
Land and Buildings	0	793,716	793,716
Equipment	1,359,587	0	1,359,587
Released to income and expenditure			
Land and Buildings	(46,718)	(78,015)	(124,733)
Equipment	(477,670)	0	(477,670)
Repayment of grant on disposal			0
Release on disposals			0
At 31 July 2018			
Land and Buildings	4,947,375	2,473,140	7,420,515
Equipment	1,875,421	0	1,875,421
Total Deferred Income at 31 July 2018	6,822,796	2,473,140	9,295,936

17. Financial Commitments

The College had annual commitments under non-cancellable operating leases:

	2018 £	2017 £
Land and buildings:		
Expiring within one year	12,000	12,000
Expiring between two and five years	<u>0</u>	<u>0</u>
	<u>12,000</u>	<u>12,000</u>
Other:		
Expiring within one year	70,472	50,002
Expiring between two and five years	72,091	95,063
Expiring after five years	<u>0</u>	<u>0</u>
	<u>142,563</u>	<u>145,065</u>

18. Further Education Bursary and Other Student Support Funds

	2018 Further Education Bursary £	2018 FE Disc £	2018 EMA £	2018 Other HE Disc £	2018 Total £	2017 Total £
1 August 2017			9,975		9,975	26,126
Allocation	1,862,749	154,980	104,489	88,651	2,210,869	2,237,627
Expenditure	(1,823,733)	(169,195)	(103,470)	(87,766)	(2,184,164)	(2,182,783)
Repaid to Funding Council as clawback	(47,124)	0	0	0	(47,124)	(71,837)
College Contribution to funds	28,135	0	0	0	28,135	6,407
Virements	(20,027)	14,215	0	0	(5,812)	(5,565)
31 July 2018	<u>0</u>	<u>(0)</u>	<u>10,994</u>	<u>885</u>	<u>11,878</u>	<u>9,975</u>
Represented by:						
Clawback				885	885	0
Retained			10,994		<u>10,994</u>	<u>9,975</u>
					<u>11,879</u>	<u>9,975</u>

Further and Higher Education Childcare Funds

	2018	2017
	£	£
1 August 2017	0	0
Allocation	250,380	230,000
Expenditure	(256,192)	(235,565)
Virements	5,812	5,565
31 July 2018	0	0

19. Capital Commitments

As at July 2018, there were capital commitments of £40,275 (PY £133,230).

20. Contingent Liabilities

The College is aware that the net disposal proceeds from any future sale of the remainder of the former Longman campus will be require to be repaid to the Scottish Funding Council as part of the funding agreement for the new campus developments.

Inverness College UHI

21. PENSION PROVISIONS

Scottish Teachers' Superannuation Scheme (STSS, Teaching Staff)

The Scottish Teachers' Superannuation Scheme (STSS), in common with most other public service superannuation schemes, has no real fund and is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purposes of determining contribution rates.

Under the definitions set out in Financial Reporting Standard 17: Retirement Benefits, the STSS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the College has accounted for its contributions as if it were a defined contribution scheme.

The current contribution rates are:

Employees

Actual Pensionable Pay Min	FTE Pay Max	Contribution rate
up to & including	27,047	7.20%
27,048	36,410	8.70%
36,411	43,172	9.70%
43,173	57,216	10.40%
57,217	78,022	11.50%
78,023	and above	11.90%

Employers 17.2%

Pension and Similar Obligations (continued)

Local Government Pension Scheme (Administrative Staff)

The Highland Council LGPS is a funded defined benefit scheme, with the assets held in separate administered funds. The scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out as at 31 March 2018. The pension figures include the assets and liabilities relating to employees previously employed by Jet 2000 Limited.

The projected pension expense for the year to 31 July 2019 for employer contributions is £739,000 (2018 £634,000).

Inverness College UHI

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 31 July 2017 for the year to 31 July 2018, or date of joining the fund if later).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate at 31 July	2.8%	2.7%
Future salary increases	3.4%	4.5%
Future pension increases	2.4%	2.5%
Life expectancy from age 65 (years):		
Retiring today	31 July 2018	31 July 2017
Males	21.9	22.5
Females	24.3	24.1
Retiring in 20 years		
Males	23.3	24.7
Females	26.1	26.8

Return on Plan Assets

The return on the Fund in market value terms for the period to 31 July 2018 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary. Details are given below:

- Actual Returns from 1 July 2017 to 30 June 2018 were 9.5%
- Total Returns from 1 August 2017 to 31 July 2018 were 10.7%

As per the actuary's report.

Inverness College UHI

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 July 2018

Period ended 31 July 2018	Assets	Obligations	Net (liability)/ asset
	£000	£000	£000
Fair value of plan assets	24,111	-	24,111
Present value of funded liabilities	-	34,420	(34,420)
Present value of unfunded liabilities	-	129	(129)
Opening Position as at 31 July 2017	24,111	34,549	(10,438)
Service Cost			
Current service cost	-	1,618	(1,618)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
Total Service Cost	-	1,618	(1,618)
Net Interest			
Interest income on plan assets	655	-	655
Interest cost on defined benefit obligation	-	949	(949)
Impact of asset ceiling on net interest	-	-	-
Total Net Interest	655	949	(294)
Total defined benefit cost recognised in Profit or (Loss)	655	2,567	(1,912)
Cashflows			
Plan participants' contributions	250	250	-
Employer contributions	706		706
Contributions in respect of unfunded benefits	9		9
Benefits paid	(594)	(594)	-
Unfunded benefits paid	(9)	(9)	-
Effect of business combinations and disposals	-	-	-
Expected Closing Position	25,128	36,763	(11,635)
Remeasurements			
Changes in demographic assumptions		(161)	161
Changes in financial assumptions	-	(2,648)	2,648
Other experience	-	(2,453)	2,453
Return on assets excluding amounts included in net interest	1,895	-	1,895
Changes in asset ceiling	-	-	-
Total remeasurements recognised in Other Comprehensive Income (OCI)	1,895	(5,262)	7,157
Fair value of assets	27,023	-	27,023
Present value of funded liabilities	-	31,381	(31,381)
Present value of unfunded liabilities	-	120	(120)
Closing position as at 31 July 2018	27,023	31,501	(4,478)

Inverness College UHI

Pension and Similar Obligations (continued)

The estimated asset allocation of Inverness College as at 31 July 2018 is as follows:

	31 July 2018		31 July 2017	
	£ 000's	%	£ 000's	%
Equities	19,186	71	16,878	70
Gilts				
Other Bonds	3,783	14	3,858	16
Property	3,243	12	2,893	12
Cash	811	3	482	2
Total	27,023	100	24,111	100

Enhanced early retirements

In the interests of efficiency and effectiveness, certain employees have retired early with enhanced pensions. The cost of the enhancements is borne directly by the College. Provisions include £2,034,232 (2017 £2,211,425) being the valuation of the pension enhancements (Note 15).

The total cost for the College was:

	Year Ended 31 July 2018	Year Ended 31 July 2017
	£	£
Contributions to Scottish Public Pensions Agency	1,182,776	1,117,190
Contributions to Highland Council Pension Scheme	697,557	623,029
Contributions to NEST	16,952	11,507
Total pension cost	1,897,285	1,751,726

22. EVENTS AFTER THE REPORTING PERIOD

In order to facilitate the disposal of the former main campus site at Longman Road, Inverness, the College is undertaking a demolition project to present a cleared site to market. Disposal proceeds, less costs, will be returned to the Scottish Funding Council in line with the funding agreement in respect of the new campus buildings.

As a result of a High Court decision on 26 October 2018, pension schemes which have members with Guaranteed Minimum Pensions (GMPs) must take action to address inequalities in those GMPs if they were contracted-out of the State scheme between 1978 and 1997. The College considers it is likely that this ruling will impact the defined benefit scheme in which it is a participating employer and may result in the recognition of additional liabilities. As a consequence of this ruling, trustees of pension schemes will need to consider the integrity of their pension scheme data, the adjustments to benefits that may be necessary and any implications for scheme liabilities and funding. The High Court ruling on 26 October 2018 creates an obligation on that date for the Trustees to amend the scheme rules to reflect the consequences of the ruling. Therefore this is considered to be a non-adjusting event after the reporting period. The calculation of any additional liabilities will be a complex and lengthy process and as such the financial effect of any adjustment that may arise cannot be estimated at this stage. Any adjustment will be reflected in the financial statements for the year ended 31 July 2019.

Inverness College UHI

23. RELATED PARTY TRANSACTIONS

Due to the nature of the College's operations and the composition of its Board of Management (being drawn from local public and private sector organisations), it is possible that transactions will take place with organisations in which a member of the College's Board of Management may have an interest. All transactions involving organisations in which a member of the Board of Management may have an interest are conducted at arm's length in accordance with normal project and procurement procedures.

Where the College had transactions during the year, or worked in partnership with the following publicly funded or representative bodies in which members of the Board of Management hold official positions and the aggregate exceeded £5,000, the total values are noted below.

Organisation	Member(s)	Income 2017-18 £	Expenditure 2017-18 £	Balance due from at 31 July 2018 £	Balance due to at 31 July 2018 £
NHS Highland	Neil Stewart Lindsey Mitchell	7,838	2,742		-
Highland Council	Steve Walsh Carron McDiarmid Ollie Bray	25,156	21,168	9,225	170
Care and Learning Alliance	Jaci Douglas				-
University of Aberdeen	Brian Henderson		2,00		
SGL Carbon Fibres	Gavin Ross		-		-
Cap Gemini	Innis Montgomery		-	-	-
Tesco Plc	Andy Gray		-	-	-
Ledingham Chalmers LLP	Fiona Neilson	-		-	-

No Board of Management members, with the exception of the Principal and staff, receive emoluments other than travel and subsistence expenses. The volume of voluntary commitment made was considerable and is greatly appreciated.

The Board of Management of Inverness College is a body incorporated under the Further and Higher Education (Scotland) Act 1992 sponsored by The Scottish Funding Council (SFC). SFC is regarded as a related party. During the year Inverness College had various material transactions with SFC and with other entities

Inverness College UHI

for which SFC is regarded as the sponsor Department eg Student Awards Agency for Scotland. On the basis of guidance from the SFC these transactions do not require to be disclosed.

During the period the College had various material transactions with the University of the Highlands & Islands, which received university title on 2 February 2011. The College receives funding for higher education activity through UHI Executive Office. Funding in respect of further education activity is distributed by UHI Executive Office acting as the Regional Strategic Body to which the College has been assigned.

Inverness College UHI

2017-18 Accounts direction for Scotland's colleges

1. It is the Scottish Funding Council's direction that colleges comply with the 2015 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts.
2. Colleges must comply with the accounts direction in the preparation of their annual report and accounts in accordance with the Financial Memorandum with the Scottish Funding Council (SFC) or the Regional Strategic Body (for assigned colleges).
3. Incorporated colleges are also required to comply with the Government Financial Reporting Manual 2017-18 (FReM) where applicable.
4. Incorporated colleges are reminded that they must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2018.
5. The annual report and accounts should be signed by the chief executive officer and by the chair, or one other member of the governing body
6. Incorporated colleges should reproduce this Direction as an appendix to the annual report and accounts.

Scottish Funding Council
13 July 2018

Inverness College UHI
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Inverness
IV2 5NA

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December 2018

Board of Management

Subject/Title:	Audit committee annual report to the Board of Management
Meeting and date:	Board of Management – 18 December 2018
Extract from Minutes of the Meeting of the Audit Committee held on 27 November 2018	

AUDIT COMMITTEE ANNUAL REPORT TO THE BOARD OF MANAGEMENT

The annual audit committee report, which had been prepared by the Board Secretary, highlighted the membership of the Audit Committee, meetings held, those attending and the key reports presented during 2017-18. This included the final work carried out by the previous Internal Auditors, Henderson Loggie, the new Internal Auditors (BDO) and Ernst & Young the External Auditors in relation to the work carried out on the 2016-17 Audit of the Accounts. Other key areas of the work of the committee were highlighted, specifically risk management, health and safety and approval of policies relevant to the terms of reference of the Committee.

The Committee **APPROVED** the annual report subject to the Board Secretary making some minor amendments - to include reference to the actions implemented in respect of the Data Protection Audit, which had been acknowledged within the Internal Audit Annual Report and to include the opinion of Ernst & Young on the 2017-18 annual accounts following the Joint Audit/F&GP meeting on 6th December.

It was **AGREED** that the Chair would review the amended report in advance of it being submitted to Board of Management meeting on 18 December for approval.

Board of Management

Subject/Title:	Annual Audit Committee report to the Board of Management 2017-18
Author: [Name and Job title]	Fiona Ambrose, Board Secretary
Meeting:	Audit Committee
Meeting Date:	27 November 2018
Date Paper prepared:	16 November 2018
Brief Summary of the paper:	The report highlights the membership of the Audit Committee, meetings held, those attending and the key reports presented during 2017-18. This includes the final work carried out by the previous Internal Auditors, Henderson Loggie, the new Internal Auditors (BDO) and Ernst & Young the External Auditors in relation to the work carried out on the 2016-17 Audit of the Accounts. Other key areas of the work of the committee are highlighted, specifically risk management, health and safety and approval of policies relevant to the terms of reference of the Committee.
Action requested: [Approval, recommendation, discussion, noting]	The Committee is requested to recommend the report to the Board of Management for approval
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	The Audit Committee is required, in accordance with Scottish Funding Council guidance to report annually to the Board of management. The report relates to the discussions and actions in relation to risk management Linked to Opportunity and Growth in Sustainability within the strategic plan, specifically managing our risks
Resource implications:	Not directly, but indirectly in relation to the management of risk
Risk implications:	Yes Operational: as outlined in the Risk register Organisational: as outlined in the Risk register
Equality and Diversity implications:	N/A
Consultation: [staff, students, UHI & Partners, External] and provide detail	No consultation carried out – report is a statement of work carried out by the Audit Committee throughout 2017-18

ITEM 4

Status – [Confidential/Non confidential]	Non-Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

ITEM 4

Annual Audit Committee Annual Report to the Board of Management

Title	Inverness College UHI Audit Committee Annual Report 2017-18
Introduction	The Audit Committee is required, in accordance with Scottish Funding Council guidance to report annually to the Board of Management. This report covers the work of the Audit Committee during the 2017-18 Academic Year.
Membership	<p>The Membership of the Committee during the 2017-18 academic year was as follows:-</p> <p>Hazel Allen, Chair Jaci Douglas, Vice chair Lindsey Mitchell (resigned 13 November 2017) Steve Walsh Sarah Burton Fiona Neilson (appointed 20 November 2017 (previously co-opted member)) Innis Montgomery</p> <p>Board Secretary – Fiona Ambrose (Clerk to the Committee)</p>
Meetings	<p>4 meetings were held throughout the year and the attendance was as follows:-</p> <p>19 September 2017 Hazel Allen, Sarah Burton, Innis Montgomery, Fiona Neilson, , Steve Walsh</p> <p>28 November 2017 Hazel Allen, Sarah Burton, Jaci Douglas, Innis Montgomery, Fiona Neilson</p> <p>27 February 2018 Hazel Allen, Sarah Burton, Jaci Douglas, Innis Montgomery, Fiona Neilson, Steve Walsh</p> <p>29 May 2018 Hazel Allen, Jaci Douglas, Innis Montgomery, Fiona Neilson, Steve Walsh</p> <p>Hazel Allen chaired all meetings</p>

ITEM 4

	<p>The previous/outgoing Internal Auditors (Henderson Loggie) attended the meeting in September 2017 to present their final reports. BDO attended all four meetings in 2017-18 although substitutes were in attendance and by teleconference at the meeting in February 2018. Ernst & Young attended the meetings in November 2017 and May 2018. The Director of Finance attended every meeting, as did the Depute Principal and the Director of Organisational Development</p> <p>Jason Thurlbeck, Head of UHI Audit, was copied in to all papers and had an open invitation to attend</p>
Terms of Reference	<p>The terms of Reference were reviewed in September 2017 and approved by the Board of Management at its meeting in October 2017. Amended wording was approved, specifically “comprehensiveness, reliability and integrity of assurances” reflecting the wording within the audit section of the Code of Good Governance for Scotland’s Colleges. Reference to the Audit committee meeting the internal and external auditors in private was included. This was one of the recommendations within the Externally facilitated review of board effectiveness carried out by Henderson Loggie and which had been reported to the Board of Management in March 2017.</p>
Internal Audit	<p>Provider</p> <p>The Internal Auditors are BDO. They were appointed for the three year period 2017-2020 at a cost of £60,480.</p> <p>Audit committee assessment of performance</p> <p>The annual review of the performance of BDO was undertaken on 18 September 2018 for the 2017-18 academic year. This was the first year of the audit contract and the ratings from the committee on the key areas were as follows:-</p> <ul style="list-style-type: none"> understanding - good skills and experience - average communication - average performance – good <p>Review of internal audit plan</p> <p>The Internal Audit Strategy 2017-2020 set out the programme of audits to be undertaken in each of the three years from 2017. The rationale for the inclusion of particular reviews was based on the Auditors initial review of the Colleges risk register, discussions with a number of key stakeholders and consideration of various documents, publications and information sources.</p> <p>Details of the seven internal audit reviews and the follow up review undertaken during 2017-18 were reported to the Audit Committee throughout the year and were discussed at length with consideration and scrutiny of management responses and timescales proposed.</p> <p>The plan was based on the proposed allocation of days for set out in the 2017-18 operational plan. There was no change in the time spent – Planned v budget. 45 days’ work was undertaken.</p>

ITEM 4

Summary of Internal Audit reports 2017-18 ~~(Full report attached)??~~

Reports Issued	RED	AMBER	GREEN	Design	Operational Effectiveness
Student Support Funds	0	0	0	n/a	n/a
FES Return	0	1	6	n/a	n/a
Corporate Governance	0	0	1	Substantial	Substantial
Risk Management	0	3	0	Moderate	Moderate
Financial Controls	0	1	1	Substantial	Moderate
Partnership Working	0	0	2	Substantial	Substantial
Data Protection	0	4	1	Limited	Limited
Student Support	0	0	1	Substantial	Substantial
Follow Up	n/a	n/a	n/a	n/a	n/a

ITEM 4

Overall gradings were defined as follows

LEVEL OF ASSURANCE	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial (GREEN)	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate (BLUE)	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited (AMBER)	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No (RED)	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's	Non compliance and/or compliance with inadequate controls.

ITEM 4

	organisation's overall internal control framework.		overall internal control framework.	
Recommendation Significance				
High (RED)	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.			
Medium (AMBER)	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.			
Low (GREEN)	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.			
Audit reports				
Summary of Recommendations made				
High	0			
Medium	9			
Low	12			
Total number of recommendations: 21				

ITEM 4

The Committee made specific comments on two of the reports as follows:-

Risk Management

- the adoption of the UHI risk register template had, in essence, led to there being a two tier risk register with UHI strategic risks and IC local risks being identified.
- risks should not be identified as being solely within one department, rather they should be aligned to strategy.

Data Protection /GDPR

- A review was undertaken of the arrangements in place to prepare for compliance with the EU General Data Protection Regulation (GDPR). The report, dated March 2018, gave limited assurance in respect of both design and effectiveness and made four recommendations. All actions had been implemented by 25th May when GDPR came into force. BDO confirmed that the immediate implementation of the actions would be acknowledged in their annual report. Following a request by the Committee, the report which was submitted to the meeting of the Audit Committee on 18 September was subsequently amended to include this acknowledgement.

BDO were of the opinion that Management were conscientious in reviewing and commenting on their reports in a positive manner. The responses indicated that appropriate steps to implement recommendations had been or were being put in place.

Risk Management

The Committee discussed each quarterly risk management report in detail. A number of recommendations were made by the Committee and Management considered these at subsequent SMT meetings. In summary, the key issues raised and agreed in 2017-8 were that:-

- the SMT would review items from the Risk Register on a rolling basis at each monthly SMT meeting. Subsequent amendments would be highlighted for presentation to the Audit Committee.
- SMT to determine whether an additional risk should be added on disaster recovery
- in future, only variations or amendments to the register be brought to the committee for consideration
- internal audit recommendations and actions be inserted within the actions area of the register
- the wording of risk 32, relating to student residences be reviewed as both the risk description and the causes related to the recent specific incident as it was felt that it should be shown as a more generic risk.

In addition to a report being submitted to each Audit Committee, the Standing Committees, namely Learning, Teaching and Research, Human Resources and Finance and General Purposes each considered the items of risk from the risk register with specific relevance to their remits. A number of recommendations were made and the Risk Register was amended accordingly.

Closed Meeting

The Audit Committee held a closed session with the Internal Auditors at the meeting held on 29 May 2018. The key points made were as follows:-

ITEM 4

	<ul style="list-style-type: none"> • Management had co-operated quickly with queries and had taken on board the recommendations made. • It had been helpful to agree in advance the dates and the terms of reference of the audits to be carried out. Very strong control arrangements had been found to be in place in the majority of audits. • More regular conversations with management would be helpful and an improved outline for the risk register would enhance the content and give Board members a clearer understanding of the key issues and of the remediation actions which were being taken. • the current format of the UHI risk register was not helpful to either Board members or to management. • the Committee should consider in depth a number of risks at each committee, similar to the format which the SMT had adopted. This would lead to an improved discussion and understanding of the key risks. <p>Overall opinion of risk management, control and governance arrangements</p> <p>It was the opinion of BDO that</p> <p>“based on the reviews undertaken during the period, and in the context of materiality:</p> <ul style="list-style-type: none"> • With the exception of our review on Data Protection, whereby we concluded that further work is required to ensure robust processes, the risk management activities and controls in the areas which we examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements. • Based on our verification reviews and sample testing (and with the exceptions noted above), the risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review.”
External audit	<p>Ernst & Young</p> <p>Ernst & Young completed their audit of the accounts for the year ending 31 July 2017. This was the first report by Ernst & Young who had been appointed by the Auditor General for Scotland as the external auditor for the financial years 2016/17 to 2020/21. The fee for the 2016-17 audit as per Audit Scotland’s fee letter 2016-17 was £15,930.</p> <p>These accounts were submitted to and approved by the Board of Management on 19 December 2017. Ernst and Young’s independent auditor’s report provided an unqualified opinion that the financial statements</p> <ul style="list-style-type: none"> • gave a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council (SFC) of the state of the affairs of the College and Group as at 31 July 2017 and of its surplus for the year then ended; • had been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and • had been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

ITEM 4

Audit committee assessment of performance

The annual review of the performance of ~~BDO- Ernst & Young~~ was undertaken on 18 September 2018 for the 2017-18 academic year. This was the first year of the audit contract and the ratings from the committee on the key areas were as follows:-

Interaction with the committee- good
Overall view of quality of service - good
Overall relationship – good
Consultation and communication – very good
Corporate governance – good/average
Audit of the financial statements – good
Audit reporting - good

Closed Meeting

The Audit Committee held a closed session with the External Auditors at the joint meeting held on 7 December 2017. The key points made were as follows:-

- the level of support provided by the Finance Team had been very good in what was a transition year in respect of the method of working compared to the previous external auditors .
- The new Internal Auditors, BDO had only recently been appointed but there were no concerns with their relationship with Management.
- Members of the Joint Committee raised a number of general concerns around resourcing and skills in the Finance Team, quality of reports received by the Finance and General Purposes Committee, loss of corporate memory with the resignation of the Director of Corporate Services and the urgent requirement to review a range of finance systems and processes.

Audit of annual accounts 2017-18

The fee for the 2017-18 audit as per Audit Scotland's fee letter 2017-18 is £16,090

Ernst & Young completed their audit of the accounts for the year ending 31 July 2017 and these were considered by the Joint Audit / Finance and General Purposes Committee at its meeting on 6th December 2018.

Ernst and Young's independent auditor's report provided an unqualified opinion that the financial statements

- gave a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council (SFC) of the state of the affairs of the College and Group as at 31 July 2017 and of its surplus for the year then ended;
- had been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

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ITEM 4

	<ul style="list-style-type: none"> had been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended). <p>Members of the Joint Committee noted that the outturn for the year to 2017/18 showed an operating deficit that had continued from the year 2016/17 (excluding pension credit). The External Auditors and the Joint Committee noted that this position was not sustainable, and nor was the increasing forecast deficit shown by the Financial Forecast Review. The Members noted that the Management Team were to present a financial strategy at the Board Away day in January that must present a clear course of action to reduce this operating deficit.</p> <p>During the Financial Year covered by this report the Auditors completed their audit of the accounts for the year ending 31st July 2018. These accounts will be submitted to the The Joint Audit /Finance and General Purposes Committee have recommended the audited accounts for 2017-18 to the Board of Management for approval at the meeting on 18 December. -on 18 December 2018 for approval.</p> <p>The fee for the 2017-18 audit as per Audit Scotland's fee letter 2017-18 is £16,000</p>
Other work done	<p>Health and Safety</p> <p>Health and Safety reports are submitted to each audit committee throughout the year.</p> <p>During the last academic year there were some significant developments on how Health and Safety was managed within the College. The HASMAP standard adopted by the College as the standard to follow was working well, especially with regards to auditing. The SHE system provided a centralised system for reporting and recording H&S information such as accidents and incidents and had become a vital part of the management of H&S.</p> <p>The engagement from staff involved in audits, the H&S training and using SHE had been excellent. Very good progress had been made across a number of areas. Significant work had been carried out to address the number of hand injuries and a hand safety presentation was now continuously rolled out to staff. In 2017-18, hand injuries accounted for around 7% of reported accidents/incidents compared to 48% the previous year.</p> <ul style="list-style-type: none"> Riddor There was 3 Reported RIDDOR incidents during academic year 2017-18. The incidents related to a slip on an icy footpath, a hand injury which resulted in an infection and a mountain biking incident. Accident/incident/near miss reporting There was a further increase in the number of reports relating to accidents/incidents and near misses in comparison to the previous year. The increase in numbers was welcomed as this confirmed the increased awareness and reporting requirements. August 2017- July 2018 No. of reports received 340 August 2016 –July 2017 No. of reports received 175

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ITEM 4

ICT and data security issues

The Committee now receive high level information on ICT issues rather than quarterly reports which included operational issues. The following key issues were considered by the Committee during 2017-18

- General Data Protection Regulation (GDPR) Compliance
- Information Security Check-up Project – student data and tertiary retention schedule
- Mandatory training in Information Security and Data protection for staff
- Cyber resilience public sector action plan
- Information risk review
- UHI Finance system
- ICT projects including Wi-Fi Procurement, VLE review, Service desk replacement, single print project, UHI ICT services review

With GDPR due to come into force on 25 May 2018, the Committee received updates on a regular basis on the actions being taken by the College to ensure compliance. The GDPR/Data Protection audit made a number of recommendations which were acted on immediately and in advance of 25th May.

Policies

The following key policies were reviewed during 2017/18

- Data protection
- Health and safety and statement
- Public interest disclosure
- Risk management
- Complaints
- Records management
- E mail usage and retention

The Data Protection and Records Management policies were reviewed and amended, specifically to ensure compliance with GDPR.

The Annual report on Data Protection, Freedom of Information, Complaints and Public Interest Disclosure was presented to the committee in February 2018. No major issues were reported.

Value for Money and Procurement Annual Report 2017-18

The new GDPR legislation which came into force in May 2018 has led to an increase in work due to contracts and suppliers having to be assessed for GDPR relevance.

ITEM 4

Value for Money

- The Financial Regulations and Procurement Strategy were updated to reflect changes in the new regulatory framework and procurement best practice
- As a result of the Professional Electronic Commerce Online System (PECOS) training sessions, the number of orders being placed has increased by 138.67% and spend going through PECOS has increased by 14.38%. As of 31st July 2018 there were 797 live suppliers on PECOS which represented a 145% increase from the number reported in 2017. Credit card spend has decreased substantially against the 2016/17 figures
- All contract information was placed on the Hunter database to ensure that all contracted spend was captured and reported on
- Provision has been made within the new finance system to provide an invoicing module to meet the timelines, alternatively Scottish Government have a free solution that the college can access.

Tendering activity

Collaborative savings have been achieved through national and regional exercises as follows –

BT1 Cash Savings £132,375.14

BT2 Cash Savings £254,845.06

Cost Avoidance £60,000.00

Throughout 2017/18, the procurement team focused on non-compliance areas to ensure new contracts were placed to ensure compliance with all regulations including GDPR and Health and Safety.

Non-Compliant Regulated Procurements

In the FY17-18 period Inverness College UHI had two occurrences of non-compliance. This occurred where historic suppliers had been used without a contract and the spend exceeded £50k over a 4 year period.

Other procurement activities

A number of other procurement activities were undertaken including working on innovative ways to reduce waste, provision of free sanitary products, local cost saving initiatives, increased involvement in a number of management meetings, and attending a recent meet the Buyer Event North, organised by the Scottish Government, Scotland Excel and HIE

Business Continuity Plan

In October 2017 the college undertook a comprehensive review of the business continuity plan in light of a number of developments including the cybersecurity review, engagement with police Scotland anti-terrorism officers and the college Prevent plans as well as a review of security arrangements generally. Training for the crisis management team, emergency response team and other departments including Front of House and Estates was completed in January 2018. A full test across UHI took place in April 2018.

ITEM 4

Other	In October 2017, the Board of Management agreed to adopt the UHI risk policy and risk appetite statements and a workshop on risk appetite was held as part of the Board of Management Away Day in April 2018. In line with UHI arrangements, further review of risk and risk appetite statements will be considered at a UHI workshop which is being planned for Spring 2019.
Opinion	<p>The Audit Committee is of the opinion that the risk management of activities and controls in the areas examined by BDO were found to be suitably designed to achieve the specific risk management control and governance arrangements.</p> <p>The Audit Committee concurs with the opinion of BDO that the risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review."</p>
Circulation	Copy to the Auditors once approved by the Board of Management
Conclusion	<p>The Audit Committee is pleased to report to the Board of Management that in its opinion the College has adequate internal controls, procedures and systems in place</p> <p>Signed.....Hazel Allen..... Chair, Audit Committee</p> <p>Date12 December 2018.....</p>

Board of Management

Subject/Title:	Annual Board Review of Risk Management Policy
Meeting and date:	Board of Management – 18 December 2018
Extract from Minutes of the Meeting of the Audit Committee held on 27 November 2018	

ANNUAL BOARD REVIEW OF RISK MANAGEMENT POLICY

A report by the Depute Principal reminded the Committee that the Risk Management Policy had been approved by the Board of Management in March 2018. In order to align the annual review cycle, the committee was asked to further review the policy.

The Committee **APPROVED** the Risk Management Policy subject to the Director of Finance being named as the lead officer and the next review date being amended to November 2019.

The Chair welcomed the focus on actions and mitigations within the policy.

Board of Management

Subject/Title:	Risk Management Policy – Board Review
Author: [Name and Job title]	Roddy Henry, Depute Principal
Meeting:	Audit Committee
Meeting Date:	27 November 2018
Date Paper prepared:	20 November 2018
Brief Summary of the paper:	The Risk Management Policy that was approved by the Board in March 2018. In order to align the annual review cycle, the committee is asked to review the policy.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Risk management
Resource implications:	No If yes, please specify:
Risk implications:	No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	n/a

Status – [Confidential/Non confidential]	Non-confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Risk Management Policy – Annual Review

Executive summary

The college's Risk Management Policy is presented for annual review.

Background information

The policy was approved by the Board of management in March 2018, following recommendation at the Audit Committee in February 2018. The existing policy was revised to broadly adopt the UHI Risk Management Policy.

The Committee is asked to review the policy In November 2018 to align the review with the annual cycle.

Roddy Henry
Depute Principal



RISK MANAGEMENT POLICY

REFERENCE: PL/CS/2018/001

Policy Owner	Principal
Lead Officer	Depute Principal
Review Officer	Depute Principal
Date first approved by BoM	10 December 2007
First Review Date	December 2010
Date review approved by BoM	22 March 2018
Next Review Date	December 2020
Equality impact assessment	N/A
Further information (where relevant)	

Reviewer	Date	Review Action/Impact
Director of Corporate Services	20.12.10	Review approved by BoM
Director of Corporate Services	02.12.14	Review approved by BoM
Director of Corporate Services	24.12.15	Review approved by Audit Committee
Depute Principal	22.03.18	Review approved by BoM

Contents

1	Policy Statement	3
2	Legislative framework/related policies	7
2	Overview	7
4	Scope	7
5	Risk Appetite	7
6	Partnership Approach to Risk management.....	8
7	Roles and Responsibilities	8

1 Policy Statement

The Board of Management of Inverness College UHI has adopted this policy for the management of risk at the College. This policy forms part of the governance arrangements of the University of the Highlands and Islands.

The current policy statements on risk were reviewed and agreed by the University Court on 20 September 2017. The College has adopted the statements:

The College's general approach is to minimise its exposure to risk. It will seek to recognise risk and mitigate the adverse consequences. However, the College recognises that in pursuit of its mission and academic objectives it may choose to accept an increased level of risk. It will do so, subject always to ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

1.2 Overview and Scope

Risk is inherent in all activity. Risk management is important to ensure that all significant, relevant risks are understood and prioritised as part of normal management practices. Information on risk must be organised in a way that is useful for management purposes and enables decisions to be taken based on the knowledge of risk versus reward.

Identification and management of risk on a consistent, appropriate and timeous basis is a requirement of the University Court, as regional Strategic Body, and of the Scottish Funding Council (SFC).

The recognition and management of risk is the responsibility of everyone who allocates and/or uses resources so all members of staff should have an awareness of the risks of the organisation.

1.3 Implementation and Monitoring

The policy will be implemented through the Senior Management Team (SMT) of the College. A report comprising the corporate/high level risk register will be presented to the committee of the SMT and to the Board of Management Audit Committee for review and monitoring at each meeting.

2 Legislative framework/related policies

- 2.1. Health and Safety Policy
- 2.2. ICT - UHI Partnership Information Security Acceptable Use Policy
- 2.3. Data Protection Policy
- 2.4. Financial Regulations
- 2.5. Data Protection Act 1998
- 2.6. General Data Protection Regulation (GDPR) (From 25 May 2018)
- 2.7. Business Continuity Plan.

2 Overview

Risk is inherent in all activity. Risk management is important to ensure that all significant, relevant risks are understood and prioritised as part of normal management practices.

Information on risk must be organised in a way that is useful for management purposes and enables decisions to be taken based on the knowledge of risk versus reward. Identification and management of risk on a consistent, appropriate and timeous basis is a requirement of the University Court, as regional Strategic Body, and of the Scottish Funding Council (SFC).

4 Scope

The scope of this policy was initially developed to apply to faculties and departments of Executive Office and also to create a model of good practice methodology that could be adopted by Academic Partners. The College, as an integral part of the University, has adopted the policy to cover all aspects of its activity and operations.

5 Risk Appetite

The College will take a portfolio approach to risk management: i.e. whilst at any one time it may be carrying a high level of risks in one or more parts of its business, it will ensure that the number of areas exposed to high risk at any time are minimised and balanced with a low risk approach in other areas.

The portfolio of risk will be regularly reviewed by the SMT, Audit Committee and Board of Management.

High risk areas will be very closely aligned to strategic priorities and aligned to high returns i.e. the College should not be exposed to high levels of risk if returns are likely to be minimal or if the activity is not business critical.

The elapsed time over which the College is exposed to a high level of risk in any area should be minimised as much as possible.

6 Partnership Approach to Risk management

The University uses a standardised risk template and this has been adopted by the College. The template and the methodology for recording risks was developed and agreed through the Finance Directors Practitioners Group and the process for completing and sharing risk registers was endorsed by Academic Partners Principals.

The criteria for measuring the likelihood of risks occurring and the gross impact of risks is attached at Appendix 1.

7 Roles and Responsibilities

7.1 The Depute Principal is the policy owner.

The recognition and management of risk is the responsibility of everyone who allocates and/or uses resources, so all members of staff should have an awareness of the risks of the organisation.

Risks need to be evaluated in a controlled manner and the uncertainties involved need to be minimised. The approaches available to managing risk include:

- Terminate – avoid risk by doing something else
- Transfer – risk passed on to someone else e.g. outsourcing, insurance, subcontracting
- Treat – reduce risks by management action
- Tolerate – accept risk and manage appropriately

7.2 Board of Management

The Board of Management has a fundamental role to play in the management of risk. Its role is to:

- Set the tone and influence the culture of risk management within the institution. This includes determining the risk appetite of the institution, i.e. determining what risks are acceptable and which are not, and to provide a framework within which the appropriate level of exposure to risk can be determined in particular circumstances; and;
- Approve major decisions affecting the College's risk profile or exposure.

7.3 Finance and General Purposes Committee

The Finance and General Purposes Committee is responsible for:

- Ensuring that the major risks associated with specific proposals put to it have been properly considered and can be appropriately managed within the policy framework set by the Board.

7.4 Audit Committee

The Audit Committee is responsible for monitoring the College's general arrangements for risk management and specifically for:

- Ensuring that corporate risks are properly managed, reviewing evidence to this effect and ensuring measurement of results as appropriate.
- Advising the Board on the effectiveness of policies and procedures for risk assessment and risk management;
- Annually reviewing the College's approach to risk management and, if appropriate, recommending changes or improvements to key elements of its processes and procedures;
- Providing a statement to the Board annually indicating how the College has complied with good practice with regard to Corporate Governance and, in particular, in relation to effective risk management.

7.5 Role of Internal Audit

A "risk based" internal audit plan is prepared taking account of the College's risk register, strategic plan and wider operating environment.

The College aims to progress towards "risk managed" which is defined as "Enterprise approach to risk management developed and communicated".

Internal audit will:

- Report its findings to the audit committee
- Advise and make recommendations to senior managers as appropriate.

7.6 Senior Management Team

The Senior Management Team is responsible for:

- Implementing the Board's risk management policy and ensuring compliance
- Identifying, evaluating and managing strategic and operational risks in the College and bringing emerging corporate risks to the attention of the Board and/or its committees.
- Ensuring that everyone in each SMT member's area of responsibility understands their risk management responsibilities making clear the extent to which staff are empowered to take risks.
- Communicating College policy and information about the risk management programme to all staff and external partners as appropriate

IMPACT					
5 - Catastrophic	5	10	15	20	25
4 - Major	4	8	12	16	20
3 - Significant	3	6	9	12	15
2 - Minor	2	4	6	8	10
1 - Insignificant	1	2	3	4	5
	1 -Very	2 -	3 - Possible	4 - Likely	5 - Almost
	LIKELIHOOD				

LIKELIHOOD CRITERIA	TIMESCALE 3 YEARS	
Score	Descriptor	Probability
5-Almost Certain	More than likely – the event is anticipated to occur	>80%
4-Likely	Fairly likely – the event will probably occur	61-80%
3-Possible	Possible – the event is expected to occur at some time	31-60%
2-Unlikely	Unlikely – the event could occur at some time	10-30%
1-Very Rare	Remote – the event may only occur in exceptional circumstances	<10%

IMPACT - CRITERIA		TIMESCALE 3 YEARS		
		Financial		Reputational (need to)
5 - Catastrophic	A disaster with the potential to lead to: <ul style="list-style-type: none"> • loss of a major UHI partner 	> £500,000 or lead to	Likely loss of key partner, curriculum area or department Litigation in progress	Incident or event that could result in potentially long term damage to UHI's reputation. Strategy needed to manage the
4-Major	A critical event which threatens to lead to: major reduction in funding	£250,000 - £500,000 or lead to	<ul style="list-style-type: none"> • Possible loss of partner and litigation threatened • Major deterioration in quality/pass rates/delivery 	Incident/event that could result in limited medium – short term damage to UHI's reputation at local/regional level.
3-Significant	A Significant event, such as financial/ operational difficulty in a department or	£50,000 - £250,000	General deterioration in quality/delivery but not persistent	An incident/event that could result in limited short term damage to UHI's reputation and
2-Minor	An adverse event that can be accommodated	£10,000 -	• Some quality/delivery issues occurring regularly	Low media profile Problem commented
1-Insignificant	An adverse event that can be accommodated	<£10,000	• Quality/delivery issue considered one-off	<ul style="list-style-type: none"> • No adverse publicity • Credibility unaffected

Board of Management

Subject/Title:	Covering Report on a number of Common Policy Environment Policies
Author: [Name and Job title]	Prof Chris O'Neil, Principal and Chief Executive
Meeting:	Board of Management
Meeting Date:	Tuesday 18 December 2018
Date Paper prepared:	11 December 2018
Brief Summary of the paper:	<p>The following 5 policies are part of a suite of new policies to be drafted as part of the new UHI common policy environment. The policies have been drafted by cross partnership groups, and all have had IC UHI representation and endorsement in the developmental stage.</p> <ul style="list-style-type: none"> a. Admissions b. Tertiary Learner Support c. Fee Waiver d. Student Support Funds e. Intellectual Property <p>Policies a-d have been considered internally by the IC Scrutiny Panel and by the IC SMT and then by the Learning, Teaching and Research and Finance and General Purposes Committees as appropriate to their remit.</p> <p>The Finance and General Purposes Committee asked that any financial implications of adopting the fee waiver and student support funds policies be included in this covering report. This is included in the main body of the report.</p> <p>The LT&R and F&GP Committees both AGREED to recommend the policies to the Board of Management for approval.</p> <p>Policy e has been considered by IC SMT and is submitted directly to the Board of Management for approval.</p>
Action requested: [Approval, recommendation, discussion, noting]	To approve the 5 policies, namely; Admissions, Tertiary Learner Support, Fee Waiver, Student Support Funds, Intellectual Property

Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Links to various supporting strategies.		
Resource implications:	Yes / No If yes, please specify:		
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:		
Equality and Diversity implications:	No If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A		
Status – [Confidential/Non confidential]	confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	No		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	x	Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)		Until the Scottish Parliament have approved the annual accounts.	

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<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

UHI COMMON POLICY ENVIRONMENT

a. Admissions Policy

Background

The Admissions Policy is part of a suite of new policy/procedures to be drafted as part of the new UHI common policy environment. This will replace the current Inverness College Admissions policy.

Main body of Information

The new policy has been drafted by a cross partnership group and has had IC UHI representation and endorsement. There are no major changes to the current Admissions policy and much of this has been lifted into the new policy.

b. Tertiary Learner Support

Background

The Tertiary Learner Support Policy is part of a suite of new policy/procedures to be drafted as part of the new common policy environment. This will replace the Additional Support Needs policy.

Main body of Information

The new policy has been drafted by a cross partnership group and has had IC UHI representation and endorsement. There are no major changes to the current Additional Support Needs policy and much of this has been lifted into the new policy.

c. Further Education Fee Waiver

Background

Inverness College UHI does not have a specific further education fee waiver policy in place currently. Instead we operate under the auspices of the Scottish Funding Council National Fee Waiver Policy. This does not however address the decision making process regarding discretionary fee waivers. In order to ensure parity across UHI, a single policy has been developed for implementation across the partnership.

Main body of Information

A Fee Waiver Policy Ownership Group was formed in February 2018 with Inverness College UHI taking the Policy Lead role. This group has representation from a number of UHI partners and HISA. The aim of the group was to develop a fit for purpose policy that would ensure parity across the UHI partnership and provide clear guidance for both students and staff.

There are a variety of different practices in place across the partnership. Some institutions have existing fee waiver policies in place whilst others, including Inverness College UHI, rely solely on the SFC policy. Whilst there is significant commonality across the partnership, there are some specific areas of divergence leading to disparity of student experience regarding fees for certain qualifications.

The new Policy has addressed these issues by giving clarity to the circumstances in which a discretionary fee waiver can be considered.

Financial Implications

There are no adverse financial implications arising for Inverness College UHI as a result of adopting this policy. The only area where financial implications could arise under this policy is in relation to the awarding of discretionary fee waivers. However this policy mirrors the practice at IC and gives clear guidance to staff operating the policy of the criteria under which discretionary fee waivers may be considered thereby tightening our processes. The associated procedure provides staff with clarity on the approval process to be followed for the awarding of any discretionary fee waivers. The College will not see any increase in the awarding of discretionary fee waivers as a result of implementing this policy.

d. Student Support Funds

Background

This Policy is part of a suite of policies coming out across the partnership as part of the common policy environment. This policy will bring about more consistency in how partners make decisions on funding and how funding is provided to individuals to support them in their study. The policy is also in response to changes made by the Scottish Funding Council around the attendance requirement for bursary payment.

Main body of Information

The policy will not lead to any significant changes to our current working practice. The policy and the various aspects of work outlined in it sits across the Student Funding team and the Finance team and between the Head of Student services and the Director of Finance.

Financial Implications

The significant adverse financial impact the College is currently facing is a direct result of changes in national policy and Scottish Government priorities. Any changes to national policies will be reflected in the UHI policies. There is nothing in this policy which will result in additional costs being incurred by the College other than those changes made at national level over which we have no control.

e. Intellectual Property

Background

UHI and its Academic Partners are committed to a research strategy that includes the delivery of real world solutions to end users. The intellectual property policy outlines the policies and procedures for the ownership, protection, distribution and commercial development of the 'intellectual property' of the employees of UHI and its Academic Partners.

ITEM 6

The purpose of this policy document is to provide guidance and sources of advice in order to encourage the early identification of such IP and successful exploitation for the mutual benefit of all parties.

The Policy which has been developed is based on a standard university approach to intellectual property and has been tried and tested within the University partnership at SAMS. The view of the Partnership Council was that the University wide policy should be adopted across the partnership.



Inverness College, University of the Highlands and Islands

Further Education Admission Policy

Reference: PL/LT/2018/002

Lead Officer (Post):	Head of Student Services
Responsible Office/ Department:	Admissions
Responsible Committee:	Learning, Teaching & Resourcing Committee
Review Officer (Post):	Admissions and Student Funding Manager
Date policy approved:	Click or tap to enter a date.
Date policy last reviewed and updated:	Click or tap to enter a date.
Date policy due for review:	Click or tap to enter a date.
Date of Equality Impact Assessment:	26/02/2018
Date of Privacy Impact Assessment:	n/a

This policy covers the period (date) to (date).

For all our up-to-date policies, please visit the Policy homepage on [our website](#).

Accessible versions of this policy are available upon request. Please contact the Governance and Policy Officer on 01463 279000.

Policy Summary

Overview	This policy provides the basis for admissions into further education courses provided by the colleges within the UHI partnership.
Purpose	The policy governs the application process to be used by all students considering applying to a further education course in any of the colleges within the UHI partnership.
Scope	The policy applies to all colleges offering further education courses within the UHI partnership, current students seeking to progress their studies and prospective students considering applying.
Consultation	The policy was endorsed by Partnership Council and was subject to local consultation and approval processes at each academic partner College. The policy was approved by the colleges' Board of Management.
Implementation and Monitoring	Academic partners will be responsible for implementing and monitoring the policy. Analysis will be carried out of the policy's impact by staff from the Vice-Principal for Further Education's office.
Risk Implications	The policy reduces risk for the University and academic partners by creating a streamlined process and a community of practice for staff. Students will also benefit from a consistent approach across all partners.
Link with Strategy	Providing an excellent student experience across every aspect of the student journey To further develop our accessible and inclusive support for students to enable all to achieve their potential
Impact Assessment	Equality Impact Assessment:
	Privacy Impact Assessment:

1. Policy Statement

- 1.1 Inverness College UHI endeavours to be welcoming and inclusive in its admissions policy and processes, seeking to work in partnership with prospective students to match applicants with courses most appropriate to their aspirations and current level of skills, knowledge and ability.
- 1.2 Inverness College UHI operates a fair and open admissions process that is free of discrimination and reflects a commitment to widening access and equality of opportunity. The College aims to provide appropriate services to support students with learning support needs or disabilities.

2. Definitions

- 2.1 If you require assistance or do not understand any terms or language used in this policy, please do not hesitate to contact the Admissions Office.

3. Purpose

- 3.1 This Policy is to provide Inverness College UHI with a robust framework to:
 - 3.1.1 Follow admissions processes that are free of discrimination on the grounds of age, disability, gender and gender reassignment, pregnancy and maternity status, ethnicity, religion and/or belief, sexual orientation or socio-economic background.
 - 3.1.2 Offer a curriculum aligned to local and regional need and in line with national priorities. Where there is diminished local need or low demand, a course may be amended or withdrawn before it commences. Equally, new courses may be introduced or the number of places on a course increased due to demand;
 - 3.1.3 Publicise courses through a variety of communication channels and in a variety of formats;
 - 3.1.4 Be fair, open and transparent in recruitment and selection processes;
 - 3.1.5 Provide clear and accurate information on available courses, entry requirements and/or selection criteria;
 - 3.1.6 Proactively encourage candidates to declare any disability or additional support need that may create barriers to their success in learning. This declaration enables the college to provide appropriate support during the application stage and throughout a student's course;
 - 3.1.7 Publish on Inverness College UHI web-site, details of the annual admissions cycle including when applications will be processed, when interviews take place and offers of places will be made.

3.2 Contextualised Admission

- 3.2.1 To further our commitment to improving access to education for people from the widest possible range of backgrounds, Inverness College UHI operates a contextualised admissions policy and processes. This commitment enables the College to form a more complete picture of the characteristics of an individual applicant. To this end, Inverness College UHI:
 - 3.2.1.1 Endeavours to take into account an applicant's background where an application falls short of the standard entry criteria for a course or where there is competition for places;
 - 3.2.1.2 Will provide appropriate levels of support to prospective students who require it throughout the admissions process;

- 3.2.1.3 Make provision for assessments of additional support required 'on-course' during the admissions process;
 - 3.2.1.4 Make reasonable adjustments wherever this is possible.
 - 3.2.2 Inverness College UHI particularly welcomes applications from specific priority groups in line with Government priorities and legislation, including:
 - 3.2.1.1 Care experienced and looked after young people;
 - 3.2.1.2 Those living in areas of multiple-deprivation as identified by the Scottish Index of Multiple Deprivation as being the 10% most deprived post-code zones in Scotland;
 - 3.2.1.3 Those whose parents or carers have not accessed education beyond the compulsory school years;
 - 3.2.1.4 Male and female applicants to courses with nationally recognised gender imbalances e.g. males into care, females into construction.
 - 3.2.3 Inverness College UHI guarantees an interview to those with a care experienced background. To support gender equality, the College also operates a guaranteed interview for specific courses that experience a severe gender imbalance and are included in the College's Gender Action Plan.
 - 3.2.4 Inverness College UHI records all contextualised admissions, showing the number of applicants identified within priority groups, by course and by outcome of application.
- 3.3 Discretion in making an offer of a place**
- 3.3.1 All offers of places are subject to the College's discretion. The College reserves the right to reject applications or apply further criteria under particular circumstances such as the following:
 - 3.3.1.1 Previous disciplinary sanctions under the college or university disciplinary procedures or those of other institutions
 - 3.3.1.2 Record of outstanding debt with the College or University
 - 3.3.1.3 They do not meet the entry criteria
 - 3.3.1.4 Unsuccessful at interview
 - 3.3.2 Inverness College UHI will:
 - 3.3.2.1 Treat every application on its merits and will remove barriers to participation through making reasonable adjustments. However, there may be occasions when reasonable adjustments are not sufficient to enable participation on a particular course. In these circumstances, Inverness College UHI will make every effort to offer an alternative course or an alternative mode of study if appropriate and / or available.)
 - 3.3.2.2 Reserve the right to apply additional entry criteria in instances where an applicant has a record of previous enrolments without successful completion. In such cases, due consideration will be given to an individual's circumstances and support needs when reaching a decision.
 - 3.3.2.3 Successful applicants to courses will be required to join the Protection of Vulnerable Groups Scheme (PVG) where the studies or placements require interaction with children and/or vulnerable adults. A previous criminal record does not, in the majority of cases, exclude an applicant from being offered a place. However, the College recognises that it has a duty of care to all students and staff and therefore reserves the right not to admit an applicant where there is evidence that they could affect the

safety and welfare of students or staff. The College has the right to withdraw an offer of place if new information becomes available which has not been previously disclosed by the applicant and which could affect the safety and welfare of students and staff.

3.4 Fee Status

- 3.4.1 Every student who enrolls on a course incurs a fee. The vast majority of full-time further education students have their fees paid by the Scottish Funding Council, through the fee waiver system. Part-time students may also be eligible for fee waiver.
- 3.4.2 On application, the College will make an assessment of fee status in order to determine the appropriate level of tuition fees, in line with the relevant regulations and based on the information provided on the application form. The fee status of an individual will be communicated in the offer letter to ensure that individuals are aware if they are liable to pay fees.
- 3.4.3 The College reserves the right to change an applicant's fee status in exceptional circumstances such as the following:
 - 3.4.3.1 If new information becomes available which was not previously disclosed by the applicant and affects the original decision on the fee status;
 - 3.4.3.2 If errors are made within the initial fee assessment, either by the College or by the applicant, which affects the original decision on the fee status.
- 3.3.4 In such cases, the applicant will be notified of any change to their fee status and any consequences of this change.
- 3.3.5 Applicants assessed and determined to be international fee-payers may be required to pay full course fees prior to enrolment.

3.5 Appeals

- 3.5.1 Any appeals relating to application decisions must be made in writing to the Admissions and Student Funding Manager.

3.6 Monitoring

- 3.6.1 Reports on the number of applications received and offers made will inform curriculum review and courses offered in subsequent years.
- 3.6.2 Applications will also be monitored by post-code, gender, ethnicity, disability, care experience and carer status to inform equality and diversity action planning.

3.7 Use of Personal Data

- 3.7.1 Personal data collected through the Inverness College UHI admissions process will be anonymised and used to statistical purposes to monitor applications by age, disability, gender and gender reassignment, pregnancy and maternity status, ethnicity, religion and/or belief, sexual orientation or socio-economic background.

4. Scope

- 4.1 This Admissions Policy applies to all applicants for further education courses (full-time and part-time), including those classed as commercial.
- 4.2 Applicants for higher education courses (HNC, HND, Degree and Post Graduate programmes) should refer to the University of the Highlands and Islands Admissions Policy on the UHI web-site at: <https://www.uhi.ac.uk/en/about-uhi/governance/policies-and-regulations/policies/>

5. Exceptions

5.1 This policy applies only to Further Education applications.

6. Notification

6.1 Staff responsible for administering the admissions procedures for the College will be briefed and offered training on changes to the policy.

6.2 The policy will be publicly available on the College's website, along with other current policies.

7. Roles and Responsibilities

7.1 The responsibility for compliance with the Admissions Policy lies with all staff involved in the process.

7.2 The Policy will be regularly audited and reports submitted to the Regional Admissions Group.

8. Procedures

8.1 Please refer to the accompanying Further Education Admissions Procedures for details.

9. Legislative Framework

9.1 This policy is aligned with the following legislation:

- General Data Protection Regulation (GDPR) 2018
- Freedom of Information (Scotland) Act 2002
- Disability Discrimination Act 2005
- Equality Act 2010
- Children and Young People (Scotland) Act (2014)
- Scottish Care Leavers Covenant 2015

10. Version Control and Change History

Amendments are to be recommended by a Policy Ownership Group made up from representatives from all relevant academic partners, and then subject to Partnership Council agreement prior to approval by local academic partner Boards of Management.

Version	Date	Approved by	Amendment(s)	Author
0				
1				
2				
3				
4				



Inverness College, University of the Highlands and Islands

Tertiary Learner Support Policy

Reference: PL/LT/2018/001

Lead Officer (Post):	Head of Student Services
Responsible Office/ Department:	Student Support
Responsible Committee:	Learning, Teaching & Resourcing Committee
Review Officer (Post):	Additional Support Needs Manager
Date policy approved:	Click or tap to enter a date.
Date policy last reviewed and updated:	Click or tap to enter a date.
Date policy due for review:	Click or tap to enter a date.
Date of Equality Impact Assessment:	01/05/2018
Date of Privacy Impact Assessment:	n/a

This policy covers the period (date) to (date).

For all our up-to-date policies, please visit our [website](#).

Accessible versions of this policy are available upon request.

Policy Summary

Overview	This policy is required to set out a regional approach to learner support for Inverness College UHI and all academic partners in the University of the Highlands and Islands.
Purpose	The policy will provide a framework for a consistent and coherent methodology for the support of learners.
Scope	This policy applies to all academic partners.
Consultation	This policy was developed by a Policy Ownership Group, made up of practitioners from across the University of the Highlands and Islands network. Endorsement was received from Senior Management Curriculum Team, Partnership Council and Further Educational Regional Board, before the policy went through local consultation and approval by College Boards of Management and UHI Academic Council.
Implementation and Monitoring	Academic partners will be responsible for implementing and monitoring the policy. Analysis will be carried out of the policy's impact by staff from the Vice-Principal for Further Education's office and the Student Support team.
Risk Implications	<p>The policy reduces risk for the University and academic partners by reinforcing the existing community of practice for staff and creating a streamlined process.</p> <p>Students will also benefit from a consistent approach across all partners.</p>
Link with Strategy	<p>This policy is linked to individual Access and Inclusion strategies and the Regional Outcome Agreement.</p> <p>This policy is linked to our strategic plan objective to further develop our accessible and inclusive support to students to enable all to achieve their potential.</p>
Impact Assessment	Equality Impact Assessment: Assessed – No further action to be taken.
	Privacy Impact Assessment:

1. Policy Statement

- 1.1 Inverness College UHI is committed to providing an inclusive learning environment in which every student can make the most of learning and development opportunities available throughout their student journey. All students have different learning needs, regardless of level of study.
- 1.2 Inverness College UHI will comply with the Equality Act 2010, and is committed to promoting equality of opportunity and fair treatment for those with protected characteristics.
- 1.3 Students will be given the opportunity to achieve their full potential through anticipation of service provision, ensuring reasonable adjustments will be made when and where required by Inverness College UHI.

2. Definitions

- 2.1 **Personal Learning Support Plan:** A Personal Learning Support Plan (PLSP) is a confidential document which details the nature of a student's additional support need(s) and any support measures that have been agreed. PLSPs are drawn up in close consultation with students and regularly reviewed.
- 2.2 **Access and Inclusion Strategy:** Inverness College UHI has an Access and Inclusion Strategy, which can be found [here](#). The purpose of this document is to 'define the inclusive service we provide and how we monitor its effectiveness and impact. It outlines the inclusive service we provide for students and sets out our ambitions' (from [SFC guidance](#)).
- 2.3 **Reasonable adjustment duty:** As set out in the Equality Act 2010, the reasonable adjustment duty is the legal obligation to remove as far as possible by reasonable means the disadvantage which a disabled student experiences because of their disability. Further information from the Equality and Human Rights Commission is available [here](#).

3. Purpose

- 3.1 The purpose of this policy is to create a supportive environment for learners in Inverness College UHI. This policy is intended to promote access and inclusion and wherever possible to provide parity of experience for learners at each stage of their student journey.
- 3.2 Inverness College UHI will work with learners to identify needs through a combination of pre-entry disclosure, on-course disclosure, needs assessment, student request, tutor identification and partnership working.
- 3.3 Students will be provided with a range of opportunities to disclose specific requirements. Disclosures of specific requirements will be followed up by staff at Inverness College UHI where reasonable and appropriate.
- 3.4 Disclosures can be made at any time from pre-application. All students and prospective students are encouraged to disclose any specific requirements at the earliest opportunity, in order that appropriate support can be identified as soon as is practicable.
- 3.5 **PLSPs:** The Partnership recognises the value of the PLSP as a functional and confidential document that details the support and adjustments, including those related to academic assessment, that have been approved in light of a student's specific needs. PLSPs should be used where appropriate and wherever possible, where it supports the learner and the situation warrants

and/or necessitates the use of this tool. PLSPs are one source of evidence used internally and by awarding bodies to support the identification of alternative assessment needs.

3.6 Planning for reasonable adjustments will be undertaken collaboratively between the student, support and academic staff. The student will always be regarded and treated as a central figure in this process and will be kept apprised of progress.

3.7 **Use of Personal Data:** Personal data collected through the Inverness College UHI Learner Support process will be anonymised and used for statistical purposes to monitor applications by age, disability, gender and gender reassignment, pregnancy and maternity status, ethnicity, religion and/or belief, sexual orientation, socio-economic background or care experience.

4. Scope

4.1 This policy applies to students undertaking FE and HE courses at the College, regardless of mode or level of delivery.

4.2 Whether it is reasonable for an education provider to make any particular adjustment will depend on a number of factors, including:

- The effectiveness of making the adjustment and whether it is practical to do so
- The financial resources available
- The availability of grants, loans and other assistance to disabled students, such as Disabled Student Allowance, or charitable trusts
- The extent to which aids and services will be provided to disabled students from other sources
- Health and Safety requirements – this means if the adjustment increased the risks to the health and safety of another person
- The relevant interests of other people – this means where the adjustment results in significant disadvantage for other people

5. Exceptions

5.1 Student personal health care is out with the scope of this policy.

6. Notification

6.1 All staff are responsible for the supporting learners through their student journey and should be aware of the policy.

6.2 Staff members responsible for providing specialist learner support will be briefed and trained on the policy and procedures.

6.3 The policy will be publicly available on the Inverness College UHI website, along with other current policies.

7. Roles and Responsibilities

7.1 The Head of Student Services has overall responsibility for the implementation of this policy.

7.2 All staff have a responsibility to provide support the learner through their student journey.

7.3 The Additional Support Needs Team will provide services including, but not limited to:

- Contact with students and assessment of need

- Creation of PLSPs
- Signposting and coordinating support
- Liaising between student and academic staff
- Implementation of support
- Passing Summary of Support to the Personal Academic Tutor

7.4 All teaching staff will provide services including, but not limited to:

- Reading the Summary of Support and appropriate cascading
- Compliance with Summary of Support
- Implementing learning and teaching adjustments
- Review and liaison with the Additional Support Needs Team on impact of learning and teaching adjustments
- Liaising with the Additional Support Needs Team where a student has not made a disclosure but may require support
- Adhering to confidentiality regulations

8. Legislative Framework

- Adult with Incapacity (Scotland) Act 2000
- Adult Support and Protection (Scotland) Act 2007
- British Sign Language (Scotland) Act 2015
- Children (Scotland) Act 1995
- Children and Young People (Scotland) Act 2014
- Disability Discrimination Act 2005
- Education (Additional Support for Learning) (Scotland) Act 2004
- Education (Additional Support for Learning) (Scotland) Act 2009
- Equality Act 2010
- General Data Protection Regulation (GDPR) 2018
- Human Rights Act 1998
- Mental Health Act 2007
- Mental Health (Care and Treatment) (Scotland) Act 2003
- Protection of Vulnerable Groups (Scotland) Act 2007
- Scottish Strategy for Autism 2011
- Special Educational Needs and Disability Act 2001
- Scottish Care Leavers Covenant (2015)

9. Related Policies, Procedures, Guidelines and Other Resources

- British Sign Language (BSL): National Plan 2017 to 2023
- College Access and Inclusion Strategy
- College Admissions Policy
- College Corporate Parenting Plan
- College Carers Policy
- College Fitness to Study Procedure

- Partnership Matters - A Guide to Local Authorities, NHS Boards and Voluntary Organisations on Supporting Students with Additional Needs in Colleges and Universities in Scotland
- UHI Fitness to Study Guidelines
- UHI Recording of Taught Sessions Policy
- UHI Tertiary Learner Support Procedures (forthcoming)

10. Version Control and Change History

Version	Date	Approved by	Amendment(s)	Author
0				
1				
2				
3				



Inverness College, University of the Highlands and Islands

Further Education Fee Waiver Policy

Reference: PL/CS/2018/006

Lead Officer (Post):	Director of Finance
Responsible Office/ Department:	Finance
Responsible Committee:	Board of Management F&GP Committee
Review Officer (Post):	TBC – Single Policy Environment
Date policy approved:	Click or tap to enter a date.
Date policy last reviewed and updated:	Click or tap to enter a date.
Date policy due for review:	Click or tap to enter a date.
Date of Equality Impact Assessment:	Click or tap to enter a date.
Date of Privacy Impact Assessment:	n/a

This policy covers the 2018-19 academic year.

For all our up-to-date policies, please visit our [website](#).

Accessible versions of this policy are available upon request.

Policy Summary

Overview	This policy is required to set out a regional approach to Further Education Fee Waivers for Inverness College and all academic partners in the University of the Highlands and Islands.
Purpose	The policy will provide a framework for a consistent and coherent methodology for the awarding of Scottish Funding Council and discretionary fee waivers for further education courses.
Scope	This policy applies to all academic partners who run further education courses.
Consultation	This policy was developed by a Policy Ownership Group, made up of practitioners from across the University of the Highlands and Islands network. Endorsement was received from the Finance Directors Practitioner Group and Partnership Council, before the policy went through local consultation and approval by College Boards of Management.
Implementation and Monitoring	Academic partners will be responsible for implementing and monitoring the policy. Analysis will be carried out of the policy's impact by staff from the Vice-Principal for Further Education's office.
Risk Implications	The policy reduces risk for the University and academic partners by creating a streamlined process and a community of practice for staff. Students will also benefit from a consistent approach across all partners.
Link with Strategy	
Impact Assessment	Equality Impact Assessment: Assessed – No further action to be taken.
	Privacy Impact Assessment: n/a

1. Policy Statement

1.1 This document sets out the policy for the awarding of Further Education fee waivers in Inverness College, University of the Highlands and Islands. This policy refers to Scottish Funding Council policy and guidelines on fee waivers, which is reviewed annually. A position is also set out for the awarding of discretionary fee waivers from a College's individual budget.

2. Definitions

2.1 Scottish Funding Council ("SFC") - SFC is the national, strategic body that is responsible for funding teaching and learning provision, research and other activities in Scotland's colleges and universities. SFC gives funding to colleges and universities with guidance on how the funds should be distributed to students.

3. Purpose

3.1 This policy sets out a robust and transparent framework for the awarding Further Education course fee waivers at the College.

3.2 The policy will create an equality of experience for students across the partnership, whilst allowing individual colleges the flexibility to respond to local needs.

3.3 SFC Funded Fee Waivers

The core of this policy is based on the SFC Guidance on Fee Waiver Grant Policy and any associated annexes and appendices. The current SFC Guidance can be accessed [here](#). The majority of fee waivers will be funded by SFC.

3.4 Discretionary Fee Waivers

Students attending the University of the Highlands and Islands will have a parity of experience through the use of SFC Fee Waivers. Under exceptional circumstances and subject to individual budgets, colleges have the power to award discretionary fee waivers.

3.4.1 Categories of Discretionary Fee Waivers include but are not limited to:

- Staff development, where a course is an essential part of an approved staff development plan
- Additional academic requirements, where the College stipulates compulsory completion of an additional qualification as part of the main course
- Exceptional requirements, where College Senior Management identify a significant local benefit to use of Discretionary Fee Waivers

3.4.2 Colleges should endeavour to create parity of experiences for students across the region through their use of discretionary fee waivers.

3.4.3 Due consideration should be given to the impact of discretionary fee waiver usage on other colleges in the University of the Highlands and Islands partnership.

4. Scope

4.1 This Policy applies to all applicants for further education courses (full-time and part-time), except for the courses set out in Section 5 below.

4.2 Applicants for higher education courses should refer to the [Higher Education Fees Policy](#). Higher education courses are normally Level 7 and above on the [SCQF Framework](#).

5. Exceptions

5.1 Courses outwith the scope of this policy are:

- All leisure courses
- All commercial courses
- SVQ courses

5.2 Please refer to the accompanying Fee Waiver Procedures for further information and an eligibility flowchart.

6. Notification

- 6.1 Staff engaging with Fee Waivers should be familiar with this policy and all relevant SFC policies.
- 6.2 Annual changes to SFC policies will be cascaded to staff by line managers and hyperlinks in the policy updated to reflect the most recent guidance.
- 6.3 Any changes in SFC policy or national legislation will be reflected in this policy.
- 6.4 The policy will be publicly available on the College's website, along with other current policies.

7. Roles and Responsibilities

- 7.1 The College's most senior Financial Officer has overall responsibility for the implementation of this policy and the management of Fee Waivers, including the approval of Discretionary Fee Waivers.
- 7.2 Staff administering Fee Waivers are responsible for ensuring up-to-date SFC guidance is followed.
- 7.3 Awarding of Discretionary Fee Waivers will be recorded and reported on annually to the Finance Directors Practitioner Group.

8. Legislative Framework

- Further and Higher Education (Scotland) Act 2005
- Equality Act 2010
- Scottish Government: Costs of Learning Student Funding Guide
- General Data Protection Regulation (GDPR) 2018

9. Related Policies, Procedures, Guidelines and Other Resources

- 9.1 This policy should be read in conjunction with SFC Fee Waiver policies and guidance. The up-to-date information can be accessed [here](#).
- 9.2 University of the Highlands and Islands Further Education Fee Waiver Procedures (forthcoming)
- 9.3 University of the Highlands and Islands Further Education Student Funding Support Policy (forthcoming)
- 9.4 [College Access and Inclusion Strategy](#)

10. Version Control and Change History

Version	Date	Approved by	Amendment(s)	Author
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DRAFT



University of the
Highlands and Islands
Oilthigh na Gàidhealtachd
agus nan Eilean

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HRH The Princess Royal
Seansalair:
A h-Airdeachd Rioghail A' Bhana-phrionnsa Rioghail

Principal and Vice-Chancellor:
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1 June 2018

Chris O'Neill Esq
Inverness College UHI
1 Inverness Campus
INVERNESS
IV2M 5NA

Dear Chris

At Partnership Council on 30th May, a regional Further Education Fee Waiver was presented for endorsement as part of the Single Policy Environment Project. This Policy has been produced by a group of specialists with representation being invited from each academic partner. The group has worked over the past few months to produce a policy document that will help us to achieve a greater level of consistency in the student experience across the region and reduce workload in the longer term. The group has also, throughout this process, given full consideration to the context in which each partner operates.

A request was made to Partnership Council that this policy be endorsed and then taken through local consultation and policy approval processes in order that it could be adopted by each academic partner for their Further Education Fee Waiver functions. This endorsement was given and an agreement reached that local consultation and approval processes would now be enacted. In addition to Partnership Council, the policy was also endorsed by the Finance Directors Practitioner Group on 24th May.

I am aware that the agenda for Partnership Council is busy and that some Principals were not able to attend on 30th May. I am therefore writing formally to each academic partner delivering further education to clarify this request for action and to ask that partners confirm when their local process is complete. Could I ask that key local staff (e.g. Quality Managers) are engaged with as necessary throughout the process.

Given the lengthy discussion with fee waiver specialists throughout this process and the iterations of this policy that have gone to committees, I would not expect issues to arise during the consultation process. Should any stakeholder request amendments however, I would ask that you assess whether these would be sufficiently substantial to require revision and an additional discussion at Partnership Council or whether proposed amendments are presentational and unlikely to impact on the fair and transparent arrangements to which we are all committed.



While the Fee Waiver Policy is being taken through local consultation and approval processes, the Policy Ownership Group is developing a set of underpinning procedures to support the policy implementation.

Once we have confirmation that partners have approved the policy, comprehensive policy awareness and training will be arranged for all relevant staff, to help with implementation.

The Fee Waiver policy reflects the up-to-date Scottish Funding Council guidance, and the hyperlinks in the policy have been updated to direct readers towards the 2018-19 guidance. Therefore the policy is ready for adoption immediately after consultation and approval by your Board of Management.

For ease of reference and identification the Policy Ownership Group has adopted a standard partnership template for the regional policy development. Throughout the document however, there is opportunity to identify the relevant academic partner name. To ease workloads and avoid duplication of activity, a single Equality Impact Assessment has been carried out and is attached for your use. The text highlighted in red in the policy shows where local information, including names and policies, require to be added. If you or your staff require further guidance on this, please contact Steven Gregg, Single Policy Environment Project Manager on 01463 279201 or steven.gregg@uhi.ac.uk.

I would like to take this opportunity to thank the specialist staff who have worked so well as a community of practice in developing this policy and its associated processes. Their efforts have been very much appreciated.

Very kind regards

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D Rawlinson', with a stylized, cursive script.

Diane Rawlinson
Vice Principal Further Education
Encs



Inverness College, University of the Highlands and Islands

Student Support Funds Policy

Reference: PL/CS/2018/007

Lead Officer (Post):	Director of Finance
Responsible Office/ Department:	Admissions & Student Funding
Responsible Committee:	Board of Management F&GP Committee
Review Officer (Post):	TBC – Single Policy Environment
Date policy approved:	Click or tap to enter a date.
Date policy last reviewed and updated:	Click or tap to enter a date.
Date policy due for review:	Click or tap to enter a date.
Date of Equality Impact Assessment:	01/06/2018
Date of Privacy Impact Assessment:	Click or tap to enter a date.

This policy covers the period (date) to (date).

For all our up-to-date policies, please visit the Policy homepage on our [website](#).

Accessible versions of this policy are available upon request.

Policy Summary

Overview	This policy is required to set out a regional approach to distribution of student support funds for Inverness College and all academic partners in the University of the Highlands and Islands.
Purpose	The policy will provide a framework for a consistent and coherent methodology for the awarding of student support funds.
Scope	This policy applies to all academic partners.
Consultation	This policy was formulated by a Policy Ownership Group, made up of practitioners from across the University of the Highlands and Islands network. Endorsement was received from Partnership Council (TBC), before the policy went through local consultation and approval by College Boards of Management (TBC) and Finance and General Purpose Committee (TBC).
Implementation and Monitoring	Academic partners will be responsible for implementing and monitoring the policy. Analysis will be carried out of the policy's impact by staff from the Vice-Principal for Further Education's office.
Risk Implications	<p>The policy reduces risk for the University and academic partners by creating a streamlined process and reinforcing the existing staff community of practice.</p> <p>Students will also benefit from a consistent approach across all partners.</p>
Link with Strategy	This policy is linked to individual Access and Inclusion strategies and the Regional Outcome Agreement.
Impact Assessment	Equality Impact Assessment: (Forthcoming)
	Privacy Impact Assessment:

1. Policy Statement

1.1 The purpose of this policy is to outline the principles underpinning the College's process of assessing and distributing Student Support Funds. The overarching aim of this policy is to ensure that as many eligible students as possible have access to funds within allocated budgets.

1.2 Funds are distributed in compliance with the funding regulations as determined by the Scottish Funding Council and Student Awards Agency Scotland. Where discretion is given to the College to determine eligibility, this policy specifies the rationale applied.

2. Definitions

2.1 Scottish Funding Council ("SFC") - SFC is the national, strategic body that is responsible for funding teaching and learning provision, research and other activities in Scotland's colleges and universities. SFC gives funding to colleges and universities with guidance on how the funds should be distributed to students.

2.2 Student Awards Agency Scotland ("SAAS") – SAAS is an agency of the Scottish Government giving financial support to eligible students doing a course of higher education in the UK. SAAS provides the University of the Highlands and Islands with funds and guidance for distribution of the Higher Education Discretionary Fund.

2.3 For the purposes of this policy, the following terms will be used:

2.3.1 The Further Education Bursary will be referred to as the "Bursary Fund".

2.3.2 The Educational Maintenance Allowance will be referred to as the "EMA".

2.3.3 The College and University Childcare Funds will be referred to the "Childcare Funds".

2.3.4 The Further Education Discretionary Fund will be referred to as the "FE Discretionary Fund".

2.3.5 The Higher Education Discretionary Fund will be referred to the "HE Discretionary Fund".

2.4 Further Education courses are normally up to and including Level 6 on the [SCQF Framework](#). Higher Education courses are normally Level 7 and above.

3. Purpose

3.1 The College will utilise the current guidance to ensure fair distribution of the Student Support Funds.

3.2 The College aims to distribute Student Support Funds within the conditions of the respective national policies in a fair and consistent manner to assist students who demonstrate financial need. The College undertakes to maximise the use of available funds to ensure as many students as possible benefit through the qualifying criteria.

3.3 Bursary Fund

3.3.1 As defined in the current SFC guidelines, available [here](#), the Bursary Fund may be offered where the student and their course meets eligibility criteria. There is no automatic entitlement to the Bursary Fund, even where eligibility is established.

3.3.2 The Bursary Fund constitutes the following:

- Maintenance Allowance

- Dependant Allowance
 - Study Expense Allowance
 - Travel Expense Allowance
 - Additional Support Needs for Learning Allowance
- 3.3.3 Maintenance Allowance: the College follows the SFC guidance for this element.
- 3.3.4 Dependant Allowance: the College follows the SFC guidance for this element.
- 3.3.5 Study Expense Allowance: the College follows the SFC guidance for this element.
- 3.3.6 Travel Expense Allowance
- The College will determine the most appropriate and cost-effective route or mode of transport for Travel Expense Allowance.
 - Travel expenses will only be paid for students residing 3 miles or more from the college.
- 3.3.7 Additional Support Needs for Learning Allowance: the College follows the SFC guidance for this element.
- 3.3.8 The attendance criteria for the Bursary Fund is based on the current SFC guidance. Where the guidance calls for institutional discretion to be applied, the process to be followed is agreed regionally and is available in the Attendance Appendix.

3.4 EMA

As defined in the current SFC guidelines, available [here](#), the EMA provides a weekly term time allowance for students normally aged 16-19 years old inclusive from low income households who are studying non-advanced courses.

- 3.4.1 The College follows the current SFC guidance.
- 3.4.2 The attendance criteria for EMA is based on the current SFC guidance. Where the guidance calls for institutional discretion to be applied, the process to be followed is agreed regionally and is available in the Attendance Appendix.

3.5 Childcare Funds (Further and Higher Education)

As defined in the current national policy and guidelines, available [here](#), Childcare Funds consist of two elements to help pay for formal or registered childcare expenses: the Lone Parents Childcare Grant and the Discretionary Childcare Funds.

- 3.5.1 The College follows the current national policy and guidelines for Childcare Funds.
- 3.5.2 The College may identify certain groups as priority for allocation of the Discretionary Childcare Funds element, based on assessment of need.

3.6 FE Discretionary Fund

As defined in the current [SFC guidelines](#), the FE Discretionary Fund is “primarily for emergency use and instances of financial hardship”.

- 3.6.1 The College follows the current guidance, available above.
- 3.6.2 The College distributes FE Discretionary Funds within allocated budgets in response to student need and circumstances.
- 3.6.3 The FE Discretionary Fund has priority areas for including, but not limited to:
- Housing and accommodation costs
 - Emergency aid for unforeseen and unmanageable circumstances
 - Students at risk of financial hardship due to substantially higher-than-average utility costs

3.7 HE Discretionary Fund

As defined in the current [SAAS guidelines](#), the HE Discretionary Fund is intended to “provide non-repayable assistance for students in financial difficulties in order for them to access and/or continue in Higher Education”.

3.7.1 Inverness College follows the current guidance, available above.

3.7.2 The college distributes HE Discretionary Funds within allocated budgets in response to student need and circumstances.

3.7.3 The HE Discretionary Fund has priority areas for including, but not limited to:

- Housing and accommodation costs
- Students experiencing excessive travel costs, e.g. where the journey is greater than a reasonable commute
- Childcare costs for part-time HE courses
- Emergency aid for unforeseen and unmanageable circumstances
- Students at risk of financial hardship due to substantially higher-than-average utility costs

3.8 Supporting Evidence

3.8.1 Students applying for financial support are required to produce documentary evidence in support of their application before an award can be considered.

3.8.2 Exception may be made for care experienced students who may encounter difficulty in providing documentation in support of their application, which could create or exacerbate financial hardship. In this case, confirmation of the student's circumstances from a third party agency such as the local authority Social Work department will be accepted in place of the normal supporting documentation.

3.9 Eligibility

3.9.1 Eligibility criteria are in line with the relevant guidance/policy for each fund.

3.9.2 In addition, all applicants for student financial support will be checked for any outstanding debt to the college. Students with outstanding debt will be required to enter into a repayment agreement before additional funds will be released.

3.9.3 Where a student experiences an unforeseeable or unavoidable change to their circumstances during an academic year, the college may re-assess the student as appropriate.

3.10 Appeals and Grievances

3.10.1 Students are entitled to raise grievances related to the application of this policy and awarding of student support funds.

3.10.2 In the first instance, students should raise their grievance with college staff responsible for student support funds administration.

3.10.3 Should this not resolve the grievance, the student will be able to escalate the issue by means of an impartial review.

3.10.4 Further information is available in the accompanying Student Support Funds Procedures.

4. Scope

4.1 Financial support may only be offered if both the student and their course are eligible for support.

5. Exceptions

5.1 The policy identifies areas of discretion for colleges, and sets out priority areas for support. Ultimate authority for awarding of discretionary funds rests with the college, and decisions will be made in line with the policy and/or guidelines issued by SFC or SAAS.

5.2 As per the Education (Access Funds) (Scotland) Determination there are different arrangements for students living in the local authority areas of Orkney Islands and Shetland Islands. These students should contact the college at which they intend to study for further information.

6. Notification

6.1 Staff members engaging with Student Support Funds should be familiar with this policy and all relevant SFC/SAAS policies.

6.2 Annual changes to SFC/SAAS policies will be cascaded to staff by line managers and hyperlinks in the policy updated to reflect the most recent guidance.

6.3 Any changes in SFC/SAAS policy or national legislation will be reflected in this policy.

6.4 The policy will be publicly available on the College's website, along with other current policies.

7. Roles and Responsibilities

7.1 The College's Director of Finance has overall responsibility for the implementation of this policy and the management of Student Support Funds

7.2 The College's Director of Finance is responsible for the approval of FE Discretionary Funds and HE Discretionary Funds.

7.3 The staff administering Student Support Funds are responsible for ensuring up-to-date local policies and SFC/SAAS guidance is followed.

7.4 The Admissions and Student Funding Manager is responsible for ensuring that all enrolled students receiving EMA support have a signed Learning Agreement.

7.5 The Admissions and Student Funding Manager is responsible for ensuring that student attendance information is passed to the SITS office for recording on the College SITS system to satisfy the conditions of the Bursary or EMA award.

7.6 Students are responsible for informing the College of changes to their circumstances, including voluntary withdrawal from a course.

8. Legislative Framework

- [Further and Higher Education \(Scotland\) Act 2005](#)
- [Equality Act 2010](#)
- [Scottish Government: Costs of Learning Student Funding Guide](#)

- General Data Protection Regulation (GDPR) 2018

9. Related Policies, Procedures, Guidelines and Other Resources

9.1 This policy should be read in conjunction with SFC and SAAS policies and guidance. Links are provided above in Section 3.

9.2 University of the Highlands and Islands Student Support Funds Procedures (forthcoming).

9.3 University of the Highlands and Islands Further Education Fee Waiver Policy (forthcoming).

9.4 Scottish Funding Council (SFC) website

9.5 Student Awards Agency Scotland (SAAS) website

10 Version Control and Change History

Version	Date	Approved by	Amendment(s)	Author
0				
1				
2				
3				
4				

UHI INTELLECTUAL PROPERTY POLICY

POLICY AND PROCEDURE GUIDANCE

EUREKA MOMENTS AND VEILED SECRETS

DOs and DON'Ts for busy scientists and academics ...

DISCOVERIES

If you stumble on a new idea, invention, process or programme:

- 1 DO keep quiet about it
- 2 DO immediately tell your designated IP manager/Head of Department/senior management so that they may consider IP issues
- 3 DO keep your lab notes and other relevant documents accurate, up to date and comprehensive
- 4 DO mark relevant documents confidential and consider keeping them in a secure area
- 5 DO NOT talk about your discovery to anyone including at conferences, seminars, meetings etc.
- 6 DO NOT PUBLISH &
- 7 DO remember that Institutional IP Policy recognises the IP contribution of staff

CO-OPERATING, COLLABORATING, CONSORTING, CONTRACTING ETC.

If you are about to start dealings with an outside organisation that may involve confidential information, or existing or future IP:

- 8 Arrange a meeting with your designated IP Manager to discuss any potential for intellectual property (IP) 'leakage, and potential approaches to IP (see Annex 1 for details of designated posts and functions that are to be contacted/utilised as part of the IP development process)
- 9 It is likely that a NDA (Non-Disclosure Agreement) aka a CA (Confidentiality Agreement) will be recommended to protect the IP and associated confidential information
- 10 Likewise, be receptive to corresponding suggestions from the outside organisations
- 11 Have the wording prepared or checked by for example, Legal Secretary, Grants and Contracts Office or an appropriate senior management
- 12 These issues may already be part of a more comprehensive document (draft collaboration Agreement etc.). If so, refer to the draft. Sometimes, if the main agreement takes time to negotiate etc., a quick NDA at the outset may be appropriate
- 13 Be ready to:
 - i. describe the Background (existing) IP, and
 - ii. state when relevant discussions started or will startto Legal Secretary or Grants and Contracts
- 14 Where appropriate mark documents etc. 'CONFIDENTIAL'
- 15 Remind colleagues to do likewise

1. INTRODUCTION

UHI and its Academic Partners are committed to a research strategy that includes the delivery of real world solutions to end users. In so doing, recognise that researchers and academics are often best placed to develop their outputs into new products or applications; but their intellectual work is built upon a supportive infrastructure of facilities and Professional Services, without which innovation could not thrive.

This document outlines the policies and procedures for the ownership, protection, distribution and commercial development of the 'intellectual property' of the employees of UHI and its Academic Partners.

Please note that the term Intellectual Property (IP) includes, but is not limited to, all IP, designs, information, specifications, formulae, improvements, discoveries, know-how, data, processes, methods, techniques and the intellectual property rights therein, including but not limited to, patents, copyrights, database rights, design rights (registered and unregistered), trademarks, trade names and service marks and the right to apply for any of the above as recognised in any country in the world.

This document is not intended to be an exhaustive statement of policy applicable to every situation. Instead, it is intended as a guide to general policy in relation to the handling of project IP. If any dispute in interpretation cannot be resolved by the parties directly involved, then it will be escalated to the Directorate appointed by the relevant UHI Academic Partner for decision. If the dispute is between UHI Academic Partners then the UHI Partnership Council will undertake the final decision.

Teaching materials have been excluded from this framework, as they are covered by the policies of respective registering institutions.

2. SCOPE AND PURPOSE

UHI and its Academic Partner staff produce intellectual property (IP) in the course of their research and scholarship. Some of this IP makes a valuable contribution to the body of knowledge relating to a wide range of disciplines, but has little commercial value.

Other IP has significant potential for commercial exploitation, which can be of financial benefit to UHI and its Academic Partners and the employee concerned.

The purpose of this policy document is to provide guidance and sources of advice in order to encourage the early identification of such IP and successful exploitation for the mutual benefit of all parties.

3. DEFINITIONS

Exploitation	Action taken to ensure that appropriate Inventions and IP reach the market place and the optimal financial return is enjoyed by UHI and its Academic Partners and its employees. Following establishment of the appropriate means of protection (e.g. patenting), exploitation will typically involve licensing, company formation or other technology transfer measure.
Intellectual Property (IP)	Inventions, computer software, data, databases, technical know-how and trade secrets. Large banks of new data collected in the course of research and scholarship are also covered here only if they may reasonably be considered to have potential for exploitation.
Invention	A novel or useful idea relating to processes, machines, manufacturing or compositions of matter. It would include such things as new or improved devices, systems, computer software, circuits, chemical compounds, biomedical materials, mixtures etc. In lay terms, it is probable that an invention has been made when something new or useful has been conceived or developed, or when unusual, unexpected or non-obvious results have been obtained and can be exploited. Inventions will most commonly be developed through science, engineering and research, but can arise from any area of academic research or scholarship.
Inventor	An employee who makes an Invention or creates IP
UHI & its Academic Partners:	This term includes all employees of UHI Executive Office and EO researchers depts., including Centres and Institutes where UHI is the employer (e.g., the Dept. of Diabetes and Cardiovascular Science; The Centre for History; the Economic Intelligence Unit; etc.) "Academic Partner" covers all staff employed by any UHI affiliated institution (including: SAMS, Inverness College, Moray College, West Highland College, Perth College, Sol Mor Ostaig, Argyll College, Lews Castle College, North Highland College, Orkney College, Shetland College, NAFCMC and HTC?)

4. PRINCIPLES

This policy provides a framework for the creation, use and exploitation of intellectual property at UHI and its Academic Partners and applies to all members of the organisation. It defines the rights and responsibilities of UHI and its Academic Partners, its staff and students in relation to intellectual property.

5. INTELLECTUAL PROPERTY COORDINATION

A "Designated IP Manager", will be identified in each employer institution (see Annex 1 systems and processes). The designated IP Manager will receive information about IP from the 'originator(s)' and work closely with them and project teams that wish to protect

IP and investigate commercial opportunities. The designated IP Manager will be the first point of contact for any questions of guidance related to ownership, protection, distribution and commercialisation of IP. It is important to establish this dialogue early so expectations are clear and because various actions can have a detrimental effect on the ability to have certain kinds of future impact for example any publication could risk losing protection of IP, patent protection may not be possible after publishing a paper or making a presentation containing information about an 'IP'.

6. OWNERSHIP POLICY STATEMENT

The general policy is that IP created through your normal work at your employer is owned by your employer. That is the general law as between employer and employee. For most research projects, the IP stays with the employer, but the employer may, as part of a programme of contracted or collaborative research enter into a separate agreement that provides otherwise.

There are two main alternatives:

A. Where a UHI Academic Partner develops IP jointly with external collaborators, then ownership should be agreed to reflect the background IP and contribution of each partner to any new (foreground) IP.

B. Where a UHI/Academic Partner (or more likely its trading company such as UHIRE. (UHI Research and Enterprise Ltd)), develops IP jointly with external commercial companies, negotiations may be needed about ownership and exploitation of foreground IP.

In either event, the ownership may need to be decided on a case-by-case basis in a negotiation process led by the designated IP manager, Company Secretary or equivalent as assigned by each employer institution, and formalised in an IP Ownership Agreement (see Annex 2). or Consortium Agreement. This must be signed by the Company Secretary (or equivalent) and an authorised signatory for the external collaborators concerned

An IP Ownership Agreement may include the designation of a lead person/post to manage the development of joint IP. It should also include details of how any development costs will be shared, as well as any specific revenue sharing arrangements between the parties involved.

As the owner of IP created through the work, the employer retains all patent and disposition rights including the right to decide how or whether the IP is exploited/commercialised. For IP jointly developed with external collaborators, the IP Ownership/Consortium Agreement will govern how or whether the IP is exploited/commercialised.

This policy does not apply if the creator can demonstrate that the IP already existed e.g. in a protected agreement, or was created:

- other than in the ordinary course of their work; and
- without conflict of interest; and
- without breaching any duty to their employer; and
- without the use of confidential or proprietary information of their employer; and
- without significant use of employer-administered resources and/or facilities.

UHI and its Academic Partner's employees accept the principles of ownership of technology as stated under this document. In furthering such undertaking, all regular as

well as visiting researchers, staff, students and others may be asked to sign IP and proprietary information agreements prior to participating in research at UHI or its Academic Partners.

7. STUDENTS

The general guideline is that undergraduates and taught postgraduates own the IP that they generate, unless covered by a specific IP Agreement; as would be appropriate if external sponsorship had been provided for a specific piece of work.

Where IP is generated by postgraduate research students (PGRs) who are formally employed, the employer owns any IP generated (assuming that IP is related to their employed role). This must be explained to the student and formalised in a *Declaration of Assignment of Intellectual Property* (DoAoIP) by post-graduate students. An example of this declaration is laid out in Annex 3. In most cases, this is contained in the employment contract between UHI or its Academic Partner and the student.

In cases where a postgraduate student is on a stipend, the ownership of IP is dictated by where they are registered (e.g. for UHI ownership lies with the employer of the lead supervisor). Should that registration be at a different Institution (e.g. University of Edinburgh), then the student may need to sign a DoAoIP, reallocating the IP ownership to the relevant UHI or Academic Partner Institution. This would be decided on a case-by-case basis depending on the relative contribution of each partner and any conditions applied by the funder.

8. CAPTURING NEW INTELLECTUAL PROPERTY

When new IP arises, the originator(s) must contact the designated IP Manager who will guide them through completion of an IP Disclosure Form (IPDF; Annex 4). This is internal to UHI and its Academic Partners and formally initiates action to (i) clarify the ownership, and then (ii) consider appropriate protection and exploitation of the IP.

The terms of agreement entered into by UHI or its Academic Partner, in particular with collaborators may create obligations with respect to the reporting of the new IP. Therefore, the originator(s) should report promptly all IP, in the broadest definition of the term, by submitting an IPDF.

An IP Disclosure Form must include:

- full detail and description of the IP identified;
- sponsorship information; details of how the research has been funded, collaborators and non-UHI or its Academic Partners resources used;
- disclosures; any/what disclosures have been made;
- details on joint originators, including external collaborators; and
- commercial interests and conflicts of interest.

Once submitted changes should only be made in the event of incorrect information and must be agreed by all listed originators. If new IP arises that is similar to previously disclosed IP, a new IPDF should be submitted.

9. PROTECTING INTELLECTUAL PROPERTY

The rights governing ownership and use of many types of IP are known as 'intellectual property rights', which are derived primarily from legislation granting patent, copyright, design and trademark protection. Mechanisms also exist for protecting confidential

information, trade secrets, know-how and other intellectual or tangible research property (e.g. physical prototypes).

9.1 Patents

A patent protects new IP and covers how things work, what they do, how they do it, what they are made of and how they are made. It gives the owner the right to prevent others from making, using, importing or selling the IP without permission within a specific territory for a designated period. Typically, the IP is a technical innovation of some kind with a commercial application.

To the extent that it considers appropriate, the relevant UHI institution/ Academic Partner may seek patent protection on IP where they may intend to pursue or facilitate commercial licensing or to comply with the terms of various agreements. This may include a 'literature search of prior art' being carried out by an appropriate specialist, with input from one or more of the originators.

If the relevant UHI/AP institution decides not to patent a particular piece of IP they may consider assigning ownership to the originator(s).

While patents are granted by many different countries, procedures for filing, regulations for patentability and term of patent grant vary from country to country. In the UK, a patent affords its owner exclusivity but it must be renewed every year after the 5th year for up to 20 years protection. To be patentable the IP must be new, useful and non-obvious.

Detailed up to date information on the costs and procedures required to file and maintain a patent can be found at the Intellectual Property Office web site:

(<http://www.ipo.gov.uk/types/patent/p-applying/p-cost.htm>).

Good record keeping is essential for preserving intellectual property rights and in determining the date on which an invention is made, since the United States, in particular, awards patents based on first to invent rather than first to file, as in most countries. The US is a substantial market for many inventions and research notebooks, for example, may be required to be presented as legal evidence. , It is therefore recommended that:

- (i) All electronic record keeping should conform to sector norms and advice as well as the UHI retention policy and data management guide.
- (ii) Permanent bindings are used on notebooks – loose-leaf books should be avoided to prevent possible removal or substitution of pages.
- (iii) (ii) Pages should be numbered and any additional drawings, charts or computer printouts should be permanently attached to the notebook, clearly identified and have reference made to them in the notebook.
- (iv) The notebook should be reviewed regularly by someone who understands the technology involved and each page should ideally be signed by a witness. The choice of witness is important - it should preferably not be someone who may be nominated as a co-inventor. The witness should also sign and date any graph, charts or print outs, which are inserted into the notebook ensuring the signature is on both the inserted document and the notebook page.

Well-documented notebooks should demonstrate the progress of research and are an important record in the event of a dispute. They should be stored safely. The employing institution will retain these documents when the individual leaves.

Storage of all data should follow security and fire protection good practice guides.

If you have any queries regarding this activity consult your designated IP Manager.

You should disclose any possible invention to the designated IP Manager as early as possible. This will facilitate a patent application, if deemed appropriate.

In most instances, it will be necessary to engage the services of a patent lawyer to help file the patent application. This may lead to expense. There will also costs associated with keeping a patent in force.

Applying for a patent in the United Kingdom (UK) does not protect IP elsewhere. UHI and its Academic Partners can protect IP in many international countries using the [Patent Cooperation Treaty \(PCT\)](#) through the World Intellectual Property Organisation (WIPO) through the European Patent Office (EPO) or WIPO (<http://www.ipo.gov.uk/types/patent/p-manage/p-abroad/p-worldwide.htm>).

If required, you can also apply for a patent in individual countries by contacting the national patent office of each country.

9.2 Secrecy

The release of information regarding a specific discovery may preclude the ability to protect the IP in a subsequent patent application. IP which is already in the public domain – e.g. if it has been discussed in public (even with a small group); has been presented at a seminar or conference; or published in an academic journal – may no longer be patentable. Therefore, care should be taken when discussing any IP prior to patent filing.

Accordingly, any dissemination of new ‘inventions’ or ‘process’ should be discussed with the Company Secretary/designated IP manager before any sharing of information.

9.3 Copyright

Copyright subsists in original work of authorship, whether or not published, which has been recorded in writing or otherwise (including electronic form). Copyright laws protect literary works (including academic papers), films, sound recordings and original databases among other things. Computer programs are protected as literary works.

A copyright owner has the exclusive right (among other things) to reproduce the work, prepare derivative works, distribute by sale or otherwise, and display or perform the work publicly. Copyright protection of a work generally extends for either 70 years after the death of the originator or 70 years after the date on which the work is first lawfully made available to the public. Precise duration of protection depends on the nature of the work.

Copyright protection is important in order for UHI and its Academic Partners to license copyrightable material.

Copyright law does not always require a ‘notice of copyright’ to be affixed to the material however; such a notice is strongly advised. The following notice should be applied on Academic Partner owned works to protect the copyright:

“Copyright © *insert Academic Partner name* [Year(s)] - All Rights Reserved”

The date in the notice should be the year or years in which the work is created. No notice other than the foregoing is to be used for UHI or its Academic Partner owned works.

In the UK, copyright is not registered and it may be important to be able to prove the date of first production of the work. This can be achieved by lodging the work and recording the date of conception with a third party (e.g., a solicitor, bank manager or patent agent).

For added copyright protection in jurisdictions that provide for registration (e.g., USA) certain works, as deemed appropriate, may be registered with the appropriate regulatory body (e.g., the United States Copyright Office).

Despite the statutory provision whereby the copyright in any work produced by an employee in the course of employment belongs to the employer, UHI or its Academic Partner may grant the author(s) a 'free licence to the copyright' with regard to work published in a recognised academic, scientific, technical, professional or management journal or book.

Higher Education Institutes generally do not grant such a licence to materials created by employees during the course of and related to their employment, comprising:

- Course or training materials;
- Software programs;
- Any design specification or other work which may be necessary to protect rights in commercially exploitable intellectual property

These guidelines do not supersede existing agreements with respect to course and teaching materials. **Teaching materials have been excluded from this framework as they are covered by other universities' policies.**

9.4 Design Rights

Protection for designs exists for the appearance of a product or part of it. It may arise from the features of a product, in particular, the lines, colour, shape, texture or materials of the products itself or its ornamentation. A design is not protected to the extent it is solely functional.

A design can be registered to provide protection in various countries, whether in the UK alone, throughout the EU or otherwise and protection can be obtained for a period of 5 years, renewable on payment of fees for further periods of 5 years up to a maximum of 25 years. Registered design is intended to protect the appearance of an object where aesthetic appeal of the object is of prime importance.

There is an unregistered design right, which applies throughout the European Union. Like copyright, it is not necessary to register this right but in order for the right to exist, it must have been 'recorded': *i.e.* a drawing must have been done or an article made. This right exists for 15 years from conception of the design and for not more than 10 years from the date of first sale. For the first five years, you can stop anyone from copying the design. For the rest of the time the design is subject to a 'license of right'. This means that anyone is entitled to a licence to make and sell products copying the design.

UHI or its Academic Partners may seek to obtain registered design rights, in particular, for those designs that will be used to commercially exploit products. As with patents, a design must be new. There must be no other design identical to it. In addition, the design must have individual character: *i.e.* it must be different in the eyes of an 'informal user' from all other designs available before application to register the design.

9.5 Trademarks

A trademark is a word, name, symbol or device (or any combination of these) adopted by an organisation to identify its goods and services and distinguish them from the goods and services of others. Trademark protection may be obtained by registration of the trademark in each of the countries where the goods/services are to be sold. Unregistered

trademarks may sometimes be protected by law, usually where there has been long-standing and substantial use.

A trademark may be used to protect those names and symbols associated with certain UHI or its Academic Partner's activities, products or events. Prior to registration for trademark protection, the designation "TM" after a trademark will give notice of a claim of ownership. The term 'registered' or some other description indicating that the mark is registered must not be used unless the mark has actually been registered. The designation '®' is reserved for such use.

The use of trademarks to protect UHI/AP owned properties, or to designate UHI/AP as the origin of a product, event, activity, service or the like, may be instituted only through the Company Secretary or designated IP Manager.

9.6 Confidential Information and Design Rights

In the process of working, researchers and academics may generate new information and know-how relating to work in progress that must be kept confidential in order to maintain competitive advantage. Since such information and know-how will be captured in written or otherwise reproducible form from time to time, a mechanism is required to ensure it is not misused or released publicly.

Such proprietary information and know-how, whether captured in an archival medium or not, are typically referred to as "trade secrets". Unlike copyright, there is no trade secret statute. Protection of trade secrets derives from various legal concepts, including breach of contractual obligations not to misuse or disclose information, breach of trust and breach of confidence. UHI and its Academic Partner's employment contracts and other relevant project agreements include such clauses.

The most important aspect of this type of protection is secrecy. The protection will remain legally valid only as long as the trade secret is maintained as such. In order to maintain protection while a trade secret is being used, it is necessary to bind staff having access to any UHI/AP-derived secret, through a contractual agreement not to disclose it. Such agreements are commonly called confidentiality or non-disclosure agreements (NDAs). These agreements can be accessed through the Company Secretary/designated IP Manager.

In addition, some of external partners may be subject to freedom of information queries, which would require the release of certain company information. However, information may not have to be released if it is commercially sensitive or would otherwise damage the competitiveness of UHI Academic Partners.

9.7 Non-Commercial Dissemination

Intellectual Property owned by UHI and its Academic Partners may be distributed for research and other non-commercial purposes to other educational, scientific and research institutions, etc. particularly if the research underpinning the IP is publicly funded.

Such distribution is usually subject to the condition that any commercial development or commercial use or further transfer of the IP in question will not be pursued with regard to IP created and owned by UHI and its Academic Partners. This condition should be specifically included in a formal agreement or must be contained in a 'Non-Commercial Dissemination Agreement' (NCDA), signed by the recipient of the IP.

In addition, UHI Academic Partners may wish to control subsequent use, for example, by requiring recipients to follow a specific research protocol.

Distribution may be possible in advance of securing protections (such as patents or design rights) by using some form of contractual agreement.

IP may have potential commercial value as well as scientific value. Advice should be sought from the Company Secretary/designated IP Manager about how to make IP available for scientific use in a manner that does not diminish its value or inhibit its commercial development.

10. Commercial Development

Where appropriate, UHI and its Academic Partners will pursue the commercial exploitation of IP. The decision as to what is to be commercially exploited will be made by the UHI or Academic Partner Directorate. If there are external collaborators with ownership rights, they will be involved in decision-making.

Any decision to invest in the commercial exploitation of IP opportunities that emerge will be taken by the designated UHI/AP IP commercialisation Committee, as appropriate. Where there is shared ownership of IP, either between UHI AP's and/or with external collaborators, then a group will be set up to develop and recommend a commercial exploitation plan. This group will be drawn from the IP-owning institutions, with a nominated chair.

Commercial exploitation may include without limitation:

- researching the market for the IP;
- commercialisation through a trading subsidiary;
- entering into discussions with potential licensees;
- negotiating appropriate licenses or other agreements;
- considering spin-outs or company formation
 - UHI/AP may accept an equity position in lieu of cash royalties and fees;
- identifying third parties to commercialise it, if appropriate;
- monitoring progress;
- distributing revenue to originators in accordance with UHI/AP revenue sharing policy;
- selling the IP or the rights associated with it.

The main contact for all of the activities mentioned above is the designated IP Manager, who will involve the originators as closely as possible in any commercial activities as this is a proven approach to maximise the chances of success.

In some instances, distribution and commercialisation of IP may be accomplished by the transfer or licensing of intellectual property rights such as patent or copyright. In other instances distribution and commercialisation of IP may be aided by or depend upon access to the physical or tangible embodiment of the IP as is the case with computer software, physical prototypes or products.

11. Receipt and Distribution of Revenues

Revenue as the result of commercialisation of UHI/AP IP (e.g. royalties, license fees, sale proceeds, realised equity considerations, etc.) will be calculated on a case by case basis and distributed to all relevant collaborators at the close of the relevant financial year as follows:

1. Deduct costs that are directly attributable to a specific case (e.g. cost of filing/maintaining a patent application, prosecution and maintenance of such, materials and manufacturing costs, specific staff costs, marketing costs and so on). Only staff specifically hired to carry out the revenue generating activity are included in these deductions.
2. Distribute any amounts in line with the IP Ownership Agreement in place, as well as any supplementary agreements in place with other collaborators.
3. Of the UHI/AP share, the rewards from commercialisation are to be split between the named originator(s), as stated on the IP Disclosure Form, and the employer of the originator(s). For IP that generates only small gross commercial incomes (or for early revenues from a large project), the originator(s) receive a greater proportion:

Net Income Band (cumulative)	Originator(s)	Employer Institution
£0 - £10,000	80%	20%
£10,001 - £50,000	70%	30%
£50,001 - £1,000,000	50%	50%
£1,000,001+	33.33%	66.67%

Revenue-sharing distributions may be considered taxable income and it is the responsibility of the recipient to properly report and pay tax on this income to any relevant authorities.

It may be necessary to distribute revenues to former staff several years after they have departed. It is the responsibility of each member of staff to keep their contacts details up to date with UHI/AP after departing. If the former staff member cannot be contacted using the details on file six months following the date of distribution, their revenue share will be retained by the employer institution, to be invested in future activities.

ANNEX 1: Proposed systems/process requirements

Each UHI Academic Partner will agree to adopt the same basic IP policy. However, behind this there may be some variations in the detail of individual IP identification and commercialisation processes adopted.

Therefore, alongside the IP policy each UHI Academic Partner/ employer institution will set up an internal IP commercialisation process that includes a designated institutional point of contact for all IP disclosures/ issues and a group/ panel that will evaluate IP opportunities and agree the next steps (see diagram below for an example of how this might be carried out for UHI owned IP).

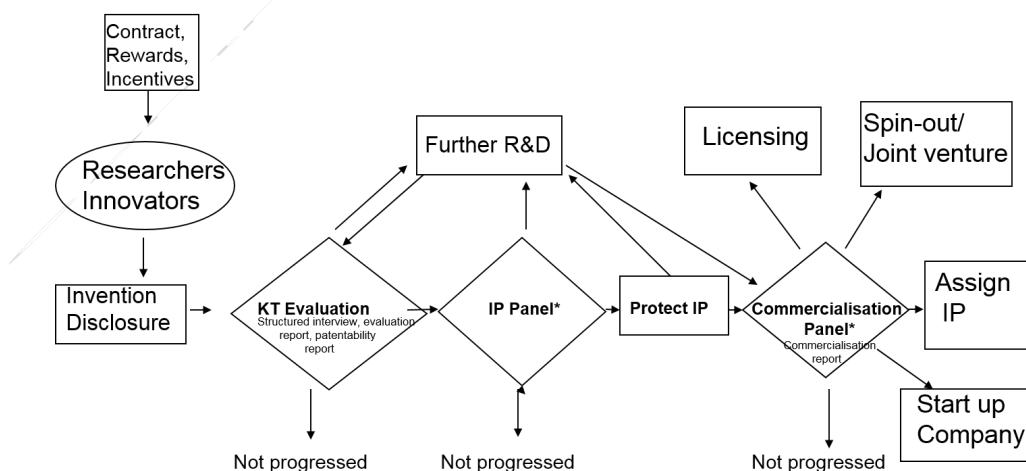
Each UHI AP could, if required, insert their own named persons, posts or groups into their institutional version of the UHI/AP IP policy - as deemed appropriate. For example, the “designated IP contact point” could, be the employer institutions Company Secretary, the KE Manager, the Business Development Manager or the Commercialisation Manager, etc.

Each UHI/AP employer institutions may also wish to insert details of any specific internal or external support staff that may be involved in developing/ commercialising the IP, where appropriate (e.g., legal assistance, grants and contracts, etc.).

Each employing institution will also agree a local Institutional arbitration process and final decision-making group, where required.

If the dispute is between UHI Academic Partner Institutions or groups, the final arbitration will rest with the UHI Partnership Council.

UHI Commercialisation Process



* (Vice Principals for Research & Enterprise, Head of Knowledge Exchange, budget holder, Company Secretary, etc.)

Where innovations are not progressed the innovator may be assigned ownership of IP

ANNEX 2: Intellectual Property Ownership Agreement

An Intellectual Property Ownership Agreement (IPOA) formalises the background IP and contribution of each partner to that innovation. Because ownership structures are based on negotiation, and are therefore unique, there is no standard agreement template.

It may include the designation of a lead institution to manage the development and exploitation of the IP, but must include details of how any development costs will be shared across the partners, as well as any specific revenue sharing arrangements between the parties involved.

The table below outlines the subject areas, and specific considerations, that need to be included when creating an Intellectual Property Ownership Agreement.

Subject Area	Specific Considerations
The Project	<ol style="list-style-type: none">1. Name all parties to an IP Ownership Agreement2. Name the lead partner (if there is one)3. State the start date and end date for the IOA4. If work started before agreement was signed, indicate if retrospective effect applies5. State fully what resources (human and other) each party to the agreement shall provide6. State fully any specific conditions that apply to the provision of partner resources (human and other)7. Name the people who are key to the project
Project Management	<ol style="list-style-type: none">1. Name the Project Manager (if there is one)2. Lay out the process, and specific actions to be followed (and by whom), for dispute resolution on IP ownership
Background IP	<ol style="list-style-type: none">1. State what background IP each party will provide2. State if any party's background IP is confidential3. Establish if any background IP may be published
IP Ownership	<ol style="list-style-type: none">1. Describe the IP to be covered by the IPOA2. Lay out IP ownership split agreed between parties
Exploitation	<ol style="list-style-type: none">1. State which parties have rights to exploit the IP2. State how and what development costs will be shared between parties3. State how commercial revenue (if realised) will be shared between parties4. Describe the patent status of the IP and how any change in status might affect exploitation strategy
Confidentiality and Publication	<ol style="list-style-type: none">1. State timeline for confidential information i.e. indefinitely or for a defined period2. Affirm whether academic use/publication is permitted
Liability	<ol style="list-style-type: none">1. State any warranties that parties are prepared to provide that contributed/created IP does not infringe third party rights

Annex 3

Declaration of Assignment

Declaration of Assignment of Intellectual Property by Postgraduate Students

The UHI/AP Group Intellectual Property (IP) Policy recognises that, under the terms of the Copyright and Patents Act 1988, where IP is created by an employee in the course of their employment, that the Intellectual Property Right (IPR) is owned by the UHI/AP as the employer.

In order for students to benefit from the revenue sharing scheme available to UHI/AP employees, any postgraduate research students working at UHI/AP, are required to assign the rights to IP arising from their research to your employer institution.

Where research is sponsored by an external organisation, the terms of the contract between the UHI/AP and that organisation will define the ownership of the resulting IP.

UHI/AP makes no claim on inventions, or other forms of IP, which have no connection to your employer institution.

As such, students are required to read and sign two copies of their acceptance of the following declarations. One copy will be retained by the student and one by your employer institution.

COPYRIGHT

1. I will promptly disclose to my employer institution all copyright works or designs, originated, conceived or written by me, whether alone or with others during the period of my work.
2. For the purposes of Section 2(1) of the Registered Designs Act 1949 and Section 267 of the Copyright, Designs and Patents Act 1988, my employer institution shall be the proprietor of any design to which Clause 4.1 applies.
3. At the request and expense of UHI/AP, I will do all things necessary or desirable to substantiate the rights of UHI/AP under the provision of this Clause
4. I hereby irrevocably and unconditionally waive in favour of my employer institution any and all moral rights conferred upon me by Chapter 1 of Part 1 of the Copyright, Designs and Patents Act 1988 for any work in which copyright or design right is vested in my employer institution, whether by this agreement or otherwise.

INTELLECTUAL PROPERTY

1. If at any time I make or become entitled to any IP whether relating directly or indirectly to my employer institution, I shall promptly disclose full details to the designated IP Manager. This applies whether I am working alone or with other person or persons. I understand that details (including drafts, early editions, *etc.*) of such IP belong to UHI/AP and may be used in accordance with the provisions of Section 39 of the Patents Act 1977 in the determination of IPR ownership.
2. If the intellectual property belongs to UHI/AP in terms of paragraph 5.1, I shall hold it in trust for UHI/AP. At the expense of UHI/AP, I shall do all things necessary or desirable to enable UHI/AP or its nominee to obtain the benefit of the IP; including, should UHI/AP decide, to secure patent or other appropriate forms of protection for it throughout the world.
3. UHI/AP shall have the sole discretion over decisions as to patenting or exploitation of such intellectual property.

4. I hereby irrevocably appoint the Director/Deputy Director/Company Secretary of my employer institution to be my attorney in my name. On my behalf they will be able to execute, sign and prepare all such documents or other things and generally to use my name for the purpose of giving UHI/AP or its nominee the full benefit of the provisions of Clauses 1 to 4. As far as any third party is concerned, a written Certificate signed by the Director (or nominee) of UHI/AP shall be conclusive evidence that any document fall within the authority hereby conferred.
5. I understand that UHI/AP operates an incentive scheme to share the exploitation of IPR, details of which are available in the UHI and its Academic Partners Intellectual Property Policy.

Signed

Name in Capitals

Dated

Signed For UHI/AP

Position

Name in Capitals

Dated

ANNEX 4 – Intellectual Property Disclosure Form

Intellectual Property Disclosure Form

Highly Confidential
Intellectual Property Disclosure

IP Abstract

Date Submitted

Originator Details

Originator Status	Name	IP Ownership, %
Lead Originator		
Other Originator		
Other Originator		
Other Originator		
Other Party		
Other Party		

SECTION 1 – General

1.1 Is the IP a new product, process, software, machine, or composition of matter?
Please specify type.

1.2 List the possible applications of this IP.

1.3 List the novel or unused features of this IP.

1.4 Describe any further work you feel needs to be undertaken to bring your IP to a point where a commercial entity would be interested? Approximately how much would this cost and how long would it take?

SECTION 2 – IP Description

2.1 Provide a detailed description of the IP including any important key words.
The description must contain sufficient detail so that one skilled in the art could reproduce the IP artefact.

4.5 Give details of the availability of any models or demonstrations of the technology

SECTION 5 – Joint Originators

5.1 List any joint inventors or collaborators from outside your employer institution. Include the institution, company or organisation of the joint originator(s).

5.2 Do you have any employment contracts external to your employer institution, if so with whom?

SECTION 6 – Commercial and Conflicts of Interest

6.1 List any companies which have expressed interest or may be interested in licensing the IP for further development or sale. Include company name, address, telephone number and contact person.

6.2 Are you a shareholder, officer, director or consultant of any companies named in the previous question?

6.3 Do you have any support or remuneration outside your employer institution other than the named funding body?

3.3 List any non-SAMS resources including Material Transfer Agreements (MTA's) and any facilities used in the development. Include time period and extent of use.

SECTION 4 – Disclosures

4.1 Have any disclosures of this technology been made to date?

4.2 List the first date of conception, place, and corroborating person or records.

4.3 Please give the date of the first disclosure – written or oral.

4.4 Please give the details of the first disclosure, place, form and corroborating person or records.

Board of Management

Subject/Title:	Relocation and Removal and Staff Grievance Policies
Meeting and date:	Board of Management – 18 December 2018
Extract from Minutes of the Meeting of the Human Resources Committee held on 29 November 2018	

POLICIES

a) Relocation & Removal

The policy was discussed at Scrutiny Panel (30th May 2018) and SMT (19th September 2018) and minor legislative changes were incorporated.

The Committee **AGREED** to recommend the relocation and removal policy to the Board of Management for approval.

b) Staff Grievance

The policy was discussed at Scrutiny Panel (30th May 2018) and SMT (19th September 2018) and minor legislative changes were incorporated.

The Committee **AGREED** to recommend the staff grievance policy to the Board of Management for approval.

Board of Management

Subject/Title:	Relocation and Removal Scheme Policy
Author: [Name and Job title]	Sarah McCarvel HR Advisor
Meeting:	Human Resources Committee
Meeting Date:	29 November 2018
Date Paper prepared:	13 November 2018
Brief Summary of the paper:	<p>Background</p> <p>The policy was discussed at Scrutiny Panel (30th May 2018) and SMT (19th September 2018). As the updates are solely legislative, following approval by the Human Resources Committee, the policy will be published.</p> <p>Main body of information</p> <p><u>Legislative Framework</u></p> <p>Update to current legislation in this area. Namely, to include reference to:</p> <ul style="list-style-type: none"> • Employment Rights Acts 1996 • The General Data Protection Regulation (2016/679 EU). • Income Tax (Earnings and Pensions) Act 2003 • UK Borders Act 2017
Action requested: [Approval, recommendation, discussion, noting]	The Committee is asked to approve the changes to the draft (revised) Relocation and Removal Scheme policy
Link to Strategy: Please highlight how the paper links to, or assists with::	
<ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes / No If yes, please specify:

Risk implications:	Yes / No If yes, please specify: Operational: Organisational:		
Equality and Diversity implications:	Yes/No If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail			
Status – [Confidential/Non confidential]	Non Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf



RELOCATION AND REMOVAL SCHEME POLICY

REFERENCE: PL/HR/2018/002

Policy Owner	Director of Organisational Development
Lead Officer	HR Manager
Review Officer	HR Advisor
Date first approved by BoM	11 October 2010
First Review Date	July 2012
Date review approved by BoM	20 June 2013
Next Review Date	July 2016
Equality impact assessment	
Further information (where relevant)	

Reviewer	Date	Review Action/Impact
HR Manager	20.06.13	Reviewed by BoM

Contents

1. Policy Statement	3
2. Legislative framework / related policies	3
3. Scope	3
4. Compliance	3
5. Monitoring	4

1. Policy Statement

As part of the College's commitment to securing the services of new staff, the College aims to support eligible employees who are required to move home in order to take up an appointment with Inverness College UHI and are approved for relocation and removal. It addresses relocation, removals, temporary accommodation and allowances. Notification of entitlement to relocation and removal assistance will be confirmed in the post details given to job applicants.

The policy and procedure will only apply where prior agreement is reached when advertising and when a move is of more than fifty miles from the original residence. Consideration may be given to the provision of relocation assistance where a move is less than 50 miles but this would only be in exceptional circumstances. Staff must not use this policy as authority to commit themselves to expenditure. All removal expenses must be authorised in advance. The Policy is intended to support relocation and should not be used by staff for financial gain and staff must not use this policy as authority to commit themselves to expenditure.

2. Legislative framework / related policies

- 2.1. Employment Rights Act 1996
- 2.2. General Data Protection Regulation (2016/679 EU)
- 2.3. Preventing Fraud and Corruption Policy
- 2.4. Income Tax (Earnings and Pensions) Act 2003
- 2.5. The Equal Pay Act 1970 (Amendment) Regulations 2003
- 2.6. The Immigration, Asylum and Nationality Act 2006
- 2.7. Inverness College Staff Recruitment and Selection Policy and Procedure
- 2.8. UK Borders Act 2017

3. Scope

- 3.1. The Relocation and Removal scheme applies to new employees of Inverness College UHI who have been appointed following a successful external recruitment exercise and are eligible for removal allowances as agreed at Staff Resource Panel in advance of advertising.

4. Compliance

- 4.1. This policy must be complied with and it will be audited regularly with reports going to the appropriate committee.

5. Monitoring

5.1. The Relocation and Removal Scheme - Policy will be monitored and its implementation evaluated. Appropriate procedures for monitoring and evaluation are the responsibility of the lead officer. These procedures will be subject to audit by the Quality Unit.

Further monitoring will be provided to the HR Committee in consideration with College wide recruitment activity and the number of instances whereby Relocation and Removal support is applied.

6. Review

6.1. The Relocation and Removal Scheme Policy and Procedure will be subject to ongoing review in accordance with the development of the College recruitment strategy and normally reviewed every 3 years.

Board of Management

Subject/Title:	Staff Grievance Policy
Author: [Name and Job title]	Laurie MacLeod HR Advisor
Meeting:	Human Resources Committee
Meeting Date:	29 November 2018
Date Paper prepared:	13 November 2018
Brief Summary of the paper:	<p>Background The policy was discussed at Scrutiny Panel (30th May 2018) and SMT (19th September 2018). As the update is solely legislative, following approval by the Human Resources Committee, the policy will be published.</p> <p>Main body of information</p> <p><u>Legislative Framework</u> Update to current legislation in this area. Namely, to include reference to the General Data Protection Regulation 2016/679 EU</p>
Action requested: [Approval, recommendation, discussion, noting]	The Committee is asked to approve the changes to the draft (revised) Staff Grievance policy
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	Yes/No If yes, please specify:
Consultation:	

[staff, students, UHI & Partners, External] and provide detail			
Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf



STAFF GRIEVANCE POLICY

REFERENCE: PL/HR/2018/001

Policy Owner	Director of Organisational Development and Performance
Lead Officer	HR Manager
Review Officer	HR Advisor
Date first approved by BoM	9 March 2009
First Review Date	July 2012
Date review approved by BoM	
Next Review Date	July 2016
Equality impact assessment	
Further information (where relevant)	

Reviewer	Date	Review Action/Impact
	2012	Review date extended to 2016

Contents

1. Policy Statement	3
2. Legislative framework/related policies	3
3. Scope	4
4. Compliance	4
5. Monitoring	4
6. Review	4

1. Policy Statement

The College aims to ensure that everything possible is done by managers and staff to encourage and maintain good employee relations, so that each person can fulfil their potential and contribute to the success of the College. The College is committed to dealing promptly, fairly, and consistently with staff grievances or with anyone who feels that they have been treated unfairly. The College will deal with complaints as swiftly as possible ensuring confidentiality is maintained at all times.

The purpose of this policy is to:

- provide a framework within which staff grievance issues can be resolved in a consistent manner, designed to promote fairness in relation to the treatment of all Inverness College UHI employees;
- ensure that grievances are resolved as quickly as possible;
- help maintain strong and supportive professional relationships within the College;
- meet the college statutory responsibilities in line with legislation.

The staff grievance procedure sets out the stages which must be followed.

2. Legislative framework/related policies

- 2.1. General Data Protection Regulation (2016/679 EU)
- 2.2. Public Interest Disclosure Act 1998
- 2.3. Employment Rights Act 1996
- 2.4. Employment Act 2002 (Dispute Resolution) Regulations
- 2.5. Employment Relations Act 1999 and 2004
- 2.6. ACAS Code of Practice on Disciplinary and Grievance Procedure Inverness
- 2.7. College Public Interest Disclosure (Whistle Blowing) Policy
- 2.8. Inverness College Data Protection Policy 2017
- 2.9. Equality Act 2010
- 2.10. Inverness College Staff Disciplinary Policy and Procedure
- 2.11. Inverness College Mediation Policy and Procedure

3. Scope

- 3.1. This policy applies to all Inverness College UHI employees regardless of length of service.

4. Compliance

- 4.1. This policy and associated procedures must be complied with and will be audited regularly with reports going to the appropriate committees.
- 4.2. This document is compliant with the disciplinary, dismissal and grievance regulations as detailed in the 'Legislative framework/related policies' above.

5. Monitoring

- 5.1. Each college policy will be monitored and its implementation evaluated.

6. Review

- 6.1. The policy and related procedures will normally be reviewed every three years to ensure it continues to meet College requirements within the legislative framework.

Board of Management

Subject/Title:	Relocation and Removal and Staff Grievance Policies
Meeting and date:	Board of Management – 18 December 2018
Extract from Minutes of the Meeting of the Learning, Teaching and Research Committee held on 4 December 2018	

Supporting Student Carers

The purpose of the policy was to ensure that student carers had access to accessible and inclusive support to help them to achieve their full potential.

The policy was discussed at Scrutiny Panel (5 June 2018) and then distributed for staff consultation (19 June – 10 July 2018). The policy was then presented to SMT (19 September 2018) and approved for progression to Committee.

The Committee **REQUESTED** that the monitoring of this policy be included within future reports to Committee on the access and inclusion strategy.

The Head of Student Support confirmed that she would seek clarification on whether reference to the Data Protection Act 1998 should be included within the legislative framework.

The Committee **AGREED** to **RECOMMEND** the supporting student carers policy to the Board of Management for approval.

Board of Management

Subject/Title:	Supporting Student Carer Policy
Author: [Name and Job title]	Lindsay Snodgrass, Head of Student Services
Meeting:	Learning, Teaching & Resource Committee
Meeting Date:	4 December 2018
Date Paper prepared:	13 November 2018
Brief Summary of the paper:	<p>Purpose of report / Summary The purpose of the policy is to ensure that student carers have access to accessible and inclusive support to help them to achieve their full potential</p> <p>Background Research performed by the Carers Trust highlighted that student carers experience many challenges in balancing further/ higher education and caring responsibilities. Carers who have the opportunity to pursue further/higher education should not be negatively impacted because of their caring responsibilities.</p> <p>The research showed the following</p> <p>Half the days carers spent at college or university were affected because of caring. This could be coming in late, leaving early or absence for the whole day. Student carers are four times more likely to drop out of college or university than their peers. 42% had paid employment alongside time spent in education and caring to support them in their studies.</p> <p>Main body of information The Student Carers Policy aims to set out Inverness College UHI's commitment to breaking down barriers to education for student carers and helping them reach their academic potential</p>
Action requested: [Approval, recommendation, discussion, noting]	The Committee is asked to consider the new Supporting Student Carers policy and recommend it to the Board of Management for approval.

Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	To further develop our accessible and inclusive support for students to enable them to achieve their full potential		
Resource implications:	Yes / No If yes, please specify:		
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:		
Equality and Diversity implications:	Yes/No If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail	The policy was discussed at Scrutiny Panel (5 June 2018) and then distributed for staff consultation (19 June – 10 July 2018). The policy was then presented to SMT (19 September 2018) and approved for progression to the L, T & R Committee.		
Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf



Supporting Student Carers Policy

REFERENCE: PL/CL/2018/001

Policy Owner	Head of Student Services
Lead Officer	Head of Student Services
Review Officer	Access and Progression Manager
Date first approved by BoM	
First Review Date	
Date review approved by BoM	
Next Review Date	
Equality impact assessment	Yes
Further information (where relevant)	

Reviewer	Date	Review Action/Impact

Contents

1. Policy Statement.....	3
2. Legislative framework/related policies	3
3. Scope	4
4. Compliance.....	5
5. Monitoring.....	5
6. Review.....	6

1. Policy Statement

Inverness College UHI is committed to widening access and to providing equity of opportunity to all learners to help ensure that all students are supported to reach their full potential. Inverness College UHI are therefore committed to supporting student carers and being as flexible as possible to assist at all stages of the learning journey.

Our Access and Inclusion Strategy underpins and guides all we do and provides an umbrella under which every aspect of the student journey is encompassed. Student carers, along with other priority groups, are highlighted in our strategy as a particular group who may require some additional support to enter education and achieve a successful outcome. Inverness College UHI are a corporate partner of the Carers Trust, through achievement of the Carers Trust Award in May 2018, and work in partnership to support student carers.

2. Legislative framework/related policies

2.1. Relevant legislation.

- 2.1.1. The Equality Act (2010)
- 2.1.2. Carers (Scotland) Act (2016)
- 2.1.3. Carers (Scotland) Bill (2015)
- 2.1.4. General Data Protection Regulation (GDPR) (2018)
- 2.1.5. The Data Protection Act (2018)

2.2. This policy should be understood in conjunction with the other College policies and documentation.

- 2.2.1. Additional Support Needs Policy
- 2.2.2. Admissions Policy
- 2.2.3. Guidance Policy
- 2.2.4. Access and Inclusion Strategy
- 2.2.5. Equality and Diversity Strategy
- 2.2.6. Information Security Policy

3. Scope

This policy covers advice and guidance to students who, at any point during their studies at Inverness College UHI have caring responsibilities.

- 3.1. Inverness College UHI use the Carer's Trust definition of a Carer. Students who, at any point during their studies at Inverness College UHI, "provide unpaid care for a friend or family member who due to illness, disability, a mental health problem or an addiction cannot cope without their support."

Inverness College UHI have a role in advising and supporting students who already are, or who anticipate becoming carers, as well as providing the same advice and support to prospective students making enquiries.

- 3.2. This policy covers both prospective and current Inverness College UHI students who have an unpaid caring responsibility as defined in 3.1.

- 3.3. Confirming student carer status is the responsibility of the student. Declaration of carer status can be made as part of our admissions process; at interview or enrolment; to the Personal Academic Tutor; or to any member of staff at any point during the student journey.

- 3.4. As carers exist in a variety of different situations, proof of status can come from many different sources. Some examples of what can be provided as evidence are listed below but this list is not exhaustive:

- Self-certification, in the form of a short statement, regarding the nature of the caring duties and how this may affect their studies, including how long they anticipate this will last
- A GP letter confirming carer status
- A local authority Carer's Assessment , Adult Carer Support Plan or Young Carers Statement
- Young Carer's Authorisation Card
- Other relevant documentation, for example a letter from a Carer's organisation, social worker, carer group, receipt of benefits

In most situations, self-certification will be the most common method used. However, at any point Inverness College UHI may request more information or evidence to confirm carer status or any changes to the student caring responsibilities.

3.5. A student may take on caring responsibilities at any time during their learning journey and it is acknowledged that there may be unpredictability in terms of caring commitment and time scales. It is therefore recognised that the needs of each carer are unique and the support which an individual may require, will be variable.

3.6. This policy, and the related procedure, does not cover:

- Students with parental responsibilities, unless for a child with a disability
- Students working in a paid caring capacity

However, it should be noted that the College recognises that all students will have unique needs and we strive to anticipate and meet the needs of all students.

4. Compliance

4.1. This policy must be complied with by all staff working in the college. Students who disclose they are student carers, in line with our definition as detailed in 3.1, and have confirmation of status, as detailed in 3.4, are entitled to have individualised support to help them to access courses and to reach their potential. It is the responsibility of the Transition Co-ordinator to meet with the student and agree a Co-ordinated Support Plan providing support across the student journey. It is also the responsibility of the Transition Co-ordinator to work with the student and other relevant staff to meet the needs of the student, where possible and where reasonable, and to signpost any additional support available from external agencies.

5. Monitoring

5.1. Compliance with the policy and related procedure will be monitored and evaluated through regular audits with update reports to the Care Experienced and Student Carer steering group; the Student Support Committee; and the Equality and Diversity Committee.

The policy and related procedure will be monitored in relation to

- The equality targets set for student carers detailed in the Access and Inclusion Strategy
- The results of focus groups and student surveys

- Feedback from external carer services

Appropriate procedures for monitoring and evaluation are the responsibility of the Lead Officer.

6. Review

6.1. This policy will be reviewed every 3 years and updated as necessary.

DRAFT

DRAFT

Board of Management

Subject/Title:	Financial Regulations
Meeting and date:	Board of Management – 18 December 2018
Extract from Minutes of the Meeting of the Finance and General Purposes Committee held on 6 December 2018	

FINANCIAL REGULATIONS – ANNUAL REVIEW

The current Financial Regulations had been approved by the Board of Management in October 2017. An annual review had been undertaken by the Scrutiny Panel (28 August 2018) and SMT (19 September 2018).

The Financial Regulations had been updated to more accurately reflect operational requirements such as payment processes, and provide clearer guidance in procurement around single source supplier procurement.

The Committee asked a number of points of clarification and requested that amended wording be provided in the following sections:-

- 4 – Responsibility of the Director of Finance
- 47 – Short courses and Services Rendered
- 57.1 – Procurement
- 58.1 – Tender management (tenders and quotations)
- 90.2 – Security (reference to legislation)

Subject to the inclusion of the amended wording in the sections referred to above, the Committee **AGREED** to **RECOMMEND** the revised Financial Regulations to the Board of Management for approval.

The Committee **AGREED** that amended wording in sections 78.1 - fixed asset register and 80 Stocks and stores, to reflect a capital asset replacement plan be included in the next revision which would be submitted to the Committee in December 2019.

Board of Management

Subject/Title:	Financial Regulations
Author: [Name and Job title]	Eilidh Turner, Accountant
Meeting:	Finance & General Purpose Committee
Meeting Date:	6 th December 2018
Date Paper prepared:	13 November 2018
Brief Summary of the paper:	<p>Background The Financial Regulations were discussed at Scrutiny Panel (28 August 2018) and SMT (19 September 2018) where they were approved for progression to the F&GP Committee.</p> <p>Main body of Information The Financial Regulations is the main policy document, which sets out how the College operates from a financial perspective. These regulations should be reviewed on a regular basis to ensure that the Regulations remain appropriate and fit for purpose, and align with requirements from the Scottish Government and the Scottish Funding Council.</p> <p>The Financial Regulations have been updated to more accurately reflect operational requirements such as payment processes, and provide clearer guidance in procurement around single source supplier procurement.</p>
Action requested: [Approval, recommendation, discussion, noting]	The F&GP Committee is asked to agree the updated Financial Regulations and recommend them to the Board of Management for approval.
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No

	If yes, please specify: Operational: Organisational:		
Equality and Diversity implications:	Yes/No If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail			
Status – [Confidential/Non confidential]	Non-confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf



FINANCIAL REGULATIONS

REFERENCE: PL/CS/2018/005

Policy Owner	Director of Finance
Lead Officer	Finance Manager
Review Officer	Accountant
Date first approved by BoM	10 December 2007
First Review Date	22 June 2009
Date review approved by BoM	26 October 2017
Next Review Date	June 2018
Equality impact assessment	12 September 2012
Further information (where relevant)	

Reviewer	Date	Review Action/Impact
Finance Officer	22/09/2009	Review approved by BoM
Finance Officer	07/10/2010	Review approved by F&GP Committee
Finance Officer	23/11/2012	Review approved by Audit Committee
Accountant	26/10/2017	Review approved by BoM

CONTENTS

INTRODUCTION AND BACKGROUND	7
1 General Provisions	7
2 Status of Financial Regulations.....	7
CORPORATE GOVERNANCE.....	8
3 Responsibility of the Principal and Chief Executive.....	8
4 Responsibility of the Director of Finance	10
5 Responsibility of Budget Holders.....	10
6 Staff Responsibility.....	11
7 Risk Management.....	11
8 Public Interest Disclosure (Whistle-blowing)	11
9 Code of Conduct	12
10 Receiving gifts or hospitality	12
11 Financial Planning	12
12 Resource Allocation	13
13 Budget Preparation.....	13
14 Capital Expenditure Programme.....	13
15 Overseas Activity	14
16 Other Major Developments	14
17 Financial Control.....	14
18 Financial Information.....	15
19 Changes to the Approved Budget	15
20 Virement.....	15
ACCOUNTING ARRANGEMENTS	15
21 Financial Year.....	15
22 Basis of Accounting	15
23 Format of the Financial Statements	16

24 Annual Reporting Requirements	16
25 The Public Services Reform (Scotland) Act 2010.....	16
26 Capitalisation and Depreciation.....	16
27 Accounting Records	17
28 Public Access.....	17
29 Taxation	17
AUDIT REQUIREMENTS	18
30 General.....	18
31 External Audit.....	18
32 Fraud and Corruption	19
33 Value for Money	19
34 Other Auditors	19
TREASURY MANAGEMENT	19
35 Treasury Management	20
36 Appointment of Bankers and Other Professional Advisors	20
37 Banking Arrangements.....	20
INCOME.....	21
38 General.....	21
39 Maximisation of Income	21
40 Receipt of Cash, Cheques and Other Negotiable Instruments	21
41 Collection of Debts	22
42 Student Fees.....	22
43 Discretionary Fund and Childcare Payments	23
GRANTS AND CONTRACTS	23
44 General.....	23
45 Grant and Contract Conditions	24
OTHER INCOME GENERATING ACTIVITY	24
46 Private Consultancies and Other Paid Work	24

47 Short Courses and Services Rendered	24
48 Profitability and Recovery of Overhead Costs	25
49 External business and management consultancy contracts	25
50 Deficits	25
51 Retention of income	25
52 Additional Contributions to Departments	26
INTELLECTUAL PROPERTY RIGHTS AND PATENTS	26
53 General	26
54 Patents	26
55 Intellectual Property Rights	26
EXPENDITURE	27
56 General	27
57 Delegation to Budget Holders	27
58 Procurement	27
59 Tender Management (Tenders and Quotations)	28
60 Contracts	31
61 Purchase Orders	31
62 Receipt of Goods	32
63 Payment of Invoices	32
64 Reporting of Expenditure	33
65 Petty Cash	33
66 Other Payments	33
67 Late Payment Rules	33
68 Leasing	34
PAY EXPENDITURE	34
69 Remuneration	34
70 Appointment of Staff	34
71 Salaries and Wages	34

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72	Superannuation Schemes	35
73	Travel, Subsistence and Other Allowances	35
74	Giving Gifts and Hospitality	36
75	Overseas Travel	36
76	Expenses for members of the Board of Management	36
77	Severance and Other Non-Recurring Payments	36
	ASSETS	37
78	Land, Buildings, Fixed Plant and Machinery	37
79	Fixed Asset Register	37
80	Property Register	37
81	Stocks and Stores	37
82	Safeguarding Assets	38
83	Personal Use	38
84	Asset Disposal	38
	FUNDS ON TRUST	38
85	Gifts, Benefactions and Donations	38
86	Student Support Funds	39
87	Trust Funds	39
88	Voluntary Funds	39
	OTHER	39
89	Insurance	39
90	Companies, Partnerships, Joint Ventures and Other Charitable Vehicles	40
91	Security	40
92	Provision of Indemnities or Guarantees	41
	APPENDIX A - Financial Memorandum	42
	APPENDIX B - Key Contacts in Finance	43
	APPENDIX C - Capital Expenditure Appraisal	44
	APPENDIX D - Summary of Protocols for Proposed Major Developments	46

APPENDIX E - Internal Audit Responsibilities	47
APPENDIX F – Procurement Thresholds	48
APPENDIX G – Delegated Financial Limits and Annual Reporting Requirements	53

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INTRODUCTION AND BACKGROUND

1 General Provisions

- 1.1. The Further and Higher Education (Scotland) Act 1992, ('the Act') created a framework for Further Education Colleges offering both full-time and part-time education to act as free corporate bodies, with powers to employ staff and to own land and buildings. From 1 April 1993, they were funded directly from Government, through the Scottish Funding Council (SFC), and taken out of local authority/ education authority controls. In October 2010, the UK Office for National Statistics (ONS) took the decision to reclassify further education colleges throughout the UK as public bodies, with the result that they are now treated as part of central government for budgeting, reporting, and accounting purposes.
- 1.2. The Financial Memorandum with Fundable Bodies in the College Sector sets out the formal relationship between the SFC and college sector fundable bodies and the requirements with which funded bodies must comply as a term and condition of SFC grant. This memorandum was issued by the Scottish Further Education Funding Council effective from 1 December 2014. The current Financial Memorandum for Inverness College UHI is between UHI (the Regional Strategic Body) and Inverness College UHI and came into effect on 1 January 2016 (Appendix A). The Board of Management is responsible for ensuring that the conditions of grants are met. As part of that process, the College must ensure that it has sound systems of internal financial and management controls. The Financial Regulations of the College form part of this overall system of accountability and control.
- 1.3. The Financial Regulations should be read in conjunction with publications and guidelines from the following resources:
 - Statement of Recommended Practice
 - Audit Scotland
 - Accounting Standards
 - Scottish Parliament Audit Committee
 - HE College Administrative Schemes
 - Scottish Funding Council (SFC)
 - Scottish Public Finance Manual
 - Finance Manual – Inverness College
 - Inverness College UHI Board of Management Articles of Governance
 - HM Treasury Financial Reporting Manual

2 Status of Financial Regulations

- 2.1. This document sets out the College's Financial Regulations. It translates into practical guidance, the College's broad policies relating to financial control.

- 2.2. These Financial Regulations are subordinate to Inverness College's instruments and articles of governance and to any restrictions contained within Inverness College's Financial Memorandum.
- 2.3. The purpose of these Financial Regulations is to provide control over the totality of the College's resources and provide management with assurances that the resources are being properly applied for the achievement of the College's Strategic Plan and business objectives, these include:
- Financial viability
 - Achieving value for money
 - Fulfilling its responsibility for the provision of effective financial controls over the use of public funds
 - Ensuring that the College complies with all relevant legislation
 - Safeguarding the assets of the College
- 2.4. Compliance with these Financial Regulations is compulsory for all staff connected with the College. Any staff member who fails to comply with the financial regulations may be subject to disciplinary action under the College's Disciplinary policy. It is the responsibility of managers to ensure that staff are made aware of the existence and content of these Financial Regulations.
- 2.5. The Finance and General Purposes Committee is responsible for overseeing, reviewing and approving the Financial Regulations, through the Director of Finance.
- 2.6. In exceptional circumstances, the Principal may authorise a departure from the detailed provision herein, such departure to be reported to the Finance and General Purposes Committee at its earliest opportunity.
- 2.7. Inverness College's detailed Financial Procedures set out how these regulations will be implemented and are contained in the Finance Manual.

CORPORATE GOVERNANCE

3 Responsibility of the Principal and Chief Executive

- 3.1. The College Principal is responsible for the detailed administration of the College and will act as the Chief Executive and the Board's Chief Educational advisor.
- 3.2. The Principal is responsible for satisfying that the Board of Management meets the requirements of the Financial Memorandum as a condition of receiving grant funding. In particular, UHI requires that the College complies with the principles of good governance set out in the Code of Good Governance for Scotland's Colleges, ensuring that:

- Public funds are used in accordance with relevant legislation, the requirements of the Financial Memorandum and only for the purpose(s) for which they were given. Strategic, capital or other grant funding must only be used for the purpose for which it is provided by the Regional Strategic Body
 - Subject to any legal requirement to observe confidentiality, the College will be open and transparent with the Regional Strategic Body 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
 - The College strives to achieve value-for-money and is economical, efficient and effective in its use of public funding
 - There is effective planning and delivery of the College's activities in accordance with its mission and its commitments to the Regional Outcome Agreement agreed with SFC
 - The College plans and manages its activities to remain sustainable and financially viable. An institution is being managed on a sustainable basis if, year on year, it generates sufficient income to cover its costs and allow for maintenance of and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands
 - The College 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
 - The College has an effective policy of risk management and risk management arrangements
 - The College 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 the Regional Strategic Body on request, as necessary, for the exercise of its functions and to gain assurance
 - The College is engaged actively in continuously enhancing the quality of its activities and involves students and other stakeholders in these processes• The Regional Strategic Body Internal Audit Service has rights of access to all the College's premises, staff, records information and assets which it considers necessary to fulfil its role and responsibilities. Access will be arranged by prior agreement where possible
 - As well as being accountable directly to the governing body of the College for the proper conduct of the College's affairs, the Chief Executive Officer of the College is also accountable directly to the Regional Strategic Body's Chief Officer for the College's proper use of funds deriving from the Regional Strategic Body and its compliance with the requirements of this FM.
- 3.3. The Principal and Chief Executive shall demonstrate his or her oversight of financial matters by signing the balance sheet within the annual financial statements.
- 3.4. The Principal and Chief Executive is directly responsible to the Board of Management for the control of resources, for seeking economy, efficiency and effectiveness in the use of the College's resources and for ensuring that financial considerations are taken into account at all stages of decision-making.
- 3.5. In particular, the Principal and Chief Executive shall:

- Sign the accounts and ensure satisfactory and adequate records are retained in a form acceptable for presentation to the Scottish Parliament.
- Advise the Board of Management on the proper discharge of its financial duties.
- Be authorised to write off losses, up to a level as specified in the Scheme of Delegation contained in the Articles of Governance, and to instruct special payments.
- Be involved with the SFC Chief Executive on matters relating to public funding which arise before the Public Accounts Committee / Scottish Parliament.
- ~~To Vire monies from expenditure between budget~~ heads when necessary within agreed overall budgets, taking account of and complying with these Regulations.

4 Responsibility of the Director of Finance

4.1. The Director of Finance is responsible to the Board of Management for providing appropriate financial context and information on the financial position of the College.

4.1.4.2. The Director of Finance is responsible for the day-to-day financial administration of the College and to the Principal and Chief Executive for:

- Preparing annual capital and revenue budgets and financial plans.
- Preparing accounts, management information, monitoring and control of income and expenditure against budgets and all financial operations.
- Preparing the College's annual accounts and other financial statements and accounts.
- Ensuring that the College maintains satisfactory financial systems.
- Provision of advice on financial policy and liaising with internal and external auditors to achieve efficient processes.
- Ensuring that the College adheres to the specific delegated financial limits and annual reporting requirements set out in Appendix G.

5 Responsibility of Budget Holders

5.1. Every budget holder shall ensure that at all times they comply fully with the College's Financial Regulations and Financial Procedures, and endeavour to secure value for money on all expenditure budgets for which they are responsible. They are fully responsible for working within their budgetary limits.

5.2. Budget holders must provide the Director of Finance on request information to assist with:

- Financial planning
- Compilation of College Financial statements

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- Implementation of audit, financial, project and value for money reviews and recommendations

6 Staff Responsibility

- 6.1. All staff members should be aware and have responsibility for the security of the College's property, for avoiding loss and for due economy in the use of resources. They should ensure that they are aware of the College's financial authority limits, and College procurement guidance (see Procurement Toolkit).
- 6.2. Staff shall make available any relevant information to the Finance Department in connection with the implementation of the College's Financial Procedures, these Financial Regulations and the system of internal financial control.
- 6.3. Staff shall provide the Director of Finance with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Board of Management.
- 6.4. All staff must immediately notify the Director of Finance whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, property or matters owned by the College.

7 Risk Management

- 7.1. Risk is the threat that an action or event will adversely affect the College's ability to achieve its objectives. Risk management seeks to control the potential loss or damage to which the College is exposed.
- 7.2. The College acknowledges the risks inherent in its business, and is committed to managing those risks that may cause a threat whether this is financially or objectively. Guidance on the level of risk considered to be acceptable and unacceptable by the College is set out in the Risk policy statement. Also contained within this policy are the requirements to have a Risk Register, Risk Mitigation Plan for the College and a Business Contingency Plan. The College has a Business Continuity policy statement.
- 7.3. The Board of Management has overall responsibility for ensuring there are appropriate risk management arrangements.
- 7.4. The Audit Committee monitors risk on behalf of the Board of Management and reports annually to the Board of Management.

8 Public Interest Disclosure (Whistle-blowing)

- 8.1. The College has a Public Interest Disclosure Policy, which complies with the Public Interest Disclosure Act 1998.

9 Code of Conduct

- 9.1. The College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe.
- 9.2. The College has a Code of Conduct for Board members and a Staff Code of Conduct.
- 9.3. The College holds registers of interests for the Board of Management and the Senior Management team, maintained by the College Secretary.

10 Receiving gifts or hospitality

- 10.1. It is an offence under the Prevention of Corruption Act 1906, the Bribery Act and the Staff Code of Conduct to accept ~~corruptly~~ any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:
- The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest.
 - The action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation. Staff members should seek guidance from the Director of Finance when there is an offer of gifts or hospitality. For the protection of staff, the College Secretary will maintain a register of gifts and hospitality received where the value is in excess of £20.00. All relevant details should be passed on via the Gifts and Hospitality Form.
 - Gifts or hospitality received must be reasonable and proportionate to the nature of the relationship and must be accepted for the primary purpose of better presenting the College or establishing cordial relationships with business partners.
 - At all times staff must follow guidelines as contained within the staff Code of Conduct.

11 Financial Planning

- 11.1. The Director of Finance is delegated responsibility by the Principal and Chief Executive for preparing annual financial plans for approval by the Board of Management, on recommendation from the Finance and General Purposes Committee, and for preparing financial forecasts for submission to the funding

body. Financial plans should be consistent with the strategic plans and Estates strategy approved by the Board of Management.

12 Resource Allocation

- 12.1. Resources are allocated annually by the College's Senior Management Team and recommended to the Board of Management through the Finance and General Purposes Committee, on the basis of the above objectives. College managers are responsible for the economic, effective and efficient use of resources allocated to them.

13 Budget Preparation

- 13.1. The Director of Finance is responsible for preparing an annual revenue budget and capital programme for consideration by the Finance and General Purposes Committee before submission to the Board of Management for approval.
- 13.2. The budget should include monthly cash flow forecasts for the year. The Director of Finance must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to College managers following approval by the Board of Management.
- 13.3. Throughout the year, the Director of Finance is responsible for submitting revised budgets to the Finance and General Purposes Committee and the Board of Management.

14 Capital Expenditure Programme

- 14.1. The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs, whether or not they are funded from capital grants, to be capitalised for inclusion in the College's financial statements. The College's capital programme is approved by the Finance and General Purposes Committee.
- 14.2. The Director of Finance will establish procedures for the inclusion of capital projects in the capital programme for approval by the Finance and General Purposes Committee. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet. These are shown at Appendix C.
- 14.3. The Director of Finance will also establish procedures for the approval of significant variations to approved projects, to the Principal and Chief Executive, the Finance and General Purposes Committee, and if appropriate, to the funding body.

- 14.4. The Director of Finance will provide regular statements concerning capital expenditure to the Finance and General Purposes Committee for monitoring purposes.
- 14.5. Following completion of any capital project, a final report should be submitted to the Finance and General Purposes Committees including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Where applicable, a post-project evaluation report may also need to be sent to the relevant funding body.

15 Overseas Activity

- 15.1. If planning and undertaking overseas activity, the College must have due regard to the relevant guidelines issued by the funding body.

16 Other Major Developments

- 16.1. Any new major aspect of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time should be presented for approval to the Finance and General Purposes Committee. The information that is required for each proposed development as well as the financial criteria that they are required to meet are summarised at Appendix D.

17 Financial Control

- 17.1. The control of income and expenditure within an agreed budget is the responsibility of the designated Budget Holder, ~~(normally a Head of Department)~~, who must ensure that day-to-day monitoring is undertaken effectively. Budget Holders are responsible for managing their budgets such that income targets are achieved and expenditure limits are not exceeded. Subject to the approval of the Senior Management Team, and conditional on other budgets being satisfactorily controlled, expenditure may include a proportion of additional income generated during the year.
- 17.2. Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance by the Budget Holder concerned and, if necessary, corrective action taken.
- 17.3. The College's specific delegated financial limits are set out in Appendix G. The institution must obtain SFC's prior written approval, through the Regional Strategic Body, before entering into any undertaking to incur any expenditure that falls out with these delegations.
- 17.4. Prior SFC approval, through the Regional Strategic Body, must always be obtained before incurring expenditure for any purpose that is, or might be considered, novel, contentious or repercussive or which has or could have

significant future cost implications. Novel is interpreted as involving proposed expenditure or financial arrangements of a sort not undertaken previously or which is not standard practice. Contentious would include proposed expenditure or financial arrangements where there was any doubt as to its regularity e.g. its compliance with relevant legislation or guidance – or its propriety – e.g. compliance with the standards expected of publicly funded bodies or their officials. Proposed expenditure or financial arrangements that might be considered to be sensitive would also be regarded as contentious.

18 Financial Information

- 18.1. Budget Holders are assisted in their duties by management information provided under arrangements approved by the Director of Finance. The types of management information available to the different levels of management are described in the detailed Financial Procedures, together with the timing at which they can be expected.
- 18.2. The Director of Finance is responsible for supplying budgetary reports on all aspects of the College's finances to the Finance and General Purposes Committee. The report shall outline the income and expenditure of the College for the financial year to date, and be presented to the Board of Management.

19 Changes to the Approved Budget

- 19.1. Changes proposed to the approved College budget must be considered by the Finance and General Purposes Committee and if required the Board of Management.

20 Virement

- 20.1. Where a budget manager is responsible for more than one budget, virement is permitted of up to £3,000 of the budget to which virement is sought, with the approval of the Director of Finance.

ACCOUNTING ARRANGEMENTS

21 Financial Year

- 21.1. Inverness College's financial year will run from 1 August until 31 July the following year.

22 Basis of Accounting

- 22.1. The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards and the funding body's direction.

23 Format of the Financial Statements

- 23.1. The financial statements are prepared in accordance with the Statement of Recommended Practice Accounting for Further and Higher Education, the Accounts Direction issued by the Scottish Funding Council; the Financial Memorandum, the Scottish Public Finance Manual (SPFM) and the Financial Reporting Manual (FReM) where applicable.

24 Annual Reporting Requirements

- 24.1. The college is required to report annually to SFC, through the Regional Strategic Body, on the levels of its expenditure for certain categories of expenditure above specified levels detailed in the Financial Memorandum. A summary of these requirements is detailed in Appendix G.

25 The Public Services Reform (Scotland) Act 2010

- 25.1. After the end of the financial year, the college must publish a statement of any expenditure incurred during that financial year in connection with:

- Public Relations
- Overseas Travel
- Hospitality and entertainment
- External consultancy

- 25.2. A statement must be produced giving specific details of any transactions relating to any of the matters listed above made during the financial year in excess of £25,000.

26 Capitalisation and Depreciation

- 26.1. New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated.
- 26.2. Expenditure incurred on repairs, refurbishment or extension of existing buildings will be capitalised where it can be demonstrated that the work represents an improvement to the original specification of the building, and the resultant building value would be greater than the current book value.

- 26.3. Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost is £5,000 or more. Grouped items (e.g. a suite of computers) with a collective total value of £5,000 or more may also be capitalised. Capitalised assets other than land and buildings will be depreciated in line with the College's accounting policies.
- 26.4. Where capital assets are funded by SFC or other government grant, a capital grant balance will be established and will be released to income over the useful life of the asset.

27 Accounting Records

- 27.1. The Director of Finance is responsible for the retention of financial documents. Retained records should be kept in a form that is acceptable to the relevant authorities, and complies with the Freedom of Information (Scotland) Act 2002, the Data Protection Act ~~1998~~2018 and the EU General Data Protection Regulation (GDPR) [2018](#).
- 27.2. The College is required by law to retain prime documents for six years (or as detailed within specific funding requirements). These include: official purchase orders, paid invoices, invoices raised, bank statements, receipts and payroll records (including expense claims).
- 27.3. The Director of Finance will make appropriate arrangements for the retention of electronic records.
- 27.4. Staff should ensure that retention arrangements comply with any specific requirements of funding organisations. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

28 Public Access

- 28.1. The Board of Management is required to supply any person with a copy of the College's most recent approved financial statements within twenty days of a request. The College will allow members of the public to inspect the statement of accounts during normal working hours. Published accounts will also be posted on the College website. Note that financial statements are only fully approved once they have been laid before Parliament and no publication can take place before this.

29 Taxation

- 29.1. The Director of Finance is responsible for advising managers, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues relating to the College.
- 29.2. The Director of Finance shall ensure compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty. This will include provision for maintaining the College's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

AUDIT REQUIREMENTS

30 General

- 30.1. External auditors and internal audit staff shall have authority to:
- Access College premises at reasonable times.
 - Access all assets, records, documents and correspondence relating to any financial and other transactions of the College.
 - Require and receive such explanations as are necessary concerning any matter under examination.
 - Require any employee of the College to account for cash, stores or any other College property under his or her control.
 - Access records belonging to third parties, such as contractors, when required.
- 30.2. The Director of Finance is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.
- 30.3. The financial statements will be considered by the Finance and General Purposes Committee, and reviewed by the Audit Committee. On the recommendation of these Committees, they will be submitted to the Board of Management for approval, and to the funding body, who will present them to the Scottish Parliament via the external auditors. The financial statements shall be signed by the Principal and Chief Executive and Chairman of the Board of Management.

31 External Audit

- 31.1. Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General is responsible for the appointment of the external auditors for the College.

- 31.2. The primary role of external audit is to report on the College's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice from Audit Scotland.

32 Fraud and Corruption

- 32.1. It is the duty of all members of staff, management and the ~~Board Members~~ ~~Council~~ to notify the Director of Finance immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety. Please also refer to the Bribery Act (2011). The Director of Finance shall immediately advise the Principal and Chief Executive who will consider the course of action to take. Any frauds that are detected must be reported to SFC, through the Regional Strategic Body, as and when they occur. If the suspected fraud is thought to involve the Director of Finance and/or the Principal, the member of staff shall notify the College Secretary; who in turn will contact the Chair of the Audit Committee directly about the irregularities.

33 Value for Money

- 33.1. It is a requirement of the financial memorandum that the Board of Management of the College is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding body, Audit Scotland, the Public Accounts Committee or other relevant bodies. The College has a Value for Money Policy.
- 33.2. To fulfil this responsibility, the Board of Management will annually review spending for evidence of value for money received and will provide evidence of compliance with the funding body's requirements. It will be used to enable the Audit Committee to refer to value for money in its annual report.

34 Other Auditors

The College may, from time to time, be subject to audit or investigation by external bodies such as the funding body, Audit Scotland, European Court of Auditors, HM Revenue and Customs. They have the same rights of access as external and internal auditors.

TREASURY MANAGEMENT

35 Treasury Management

- 35.1. The College has a Treasury Management procedure (contained in the Financial Procedures) setting out the College position on cash management, investments and borrowings. This must comply with the SFC rules regarding approval for any borrowing.
- 35.2. All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Principal and Chief Executive or the Director of Finance who will prepare an appropriate reporting system. All borrowing shall be undertaken in the name of the College and shall conform to any relevant funding body approval and requirements. Any investments of a speculative nature must not be made without the prior written approval of SFC, through the Regional Strategic Body.
- 35.3. The Director of Finance will report to the Finance and General Purposes Committee on the activities of the treasury operation and on the exercise of treasury powers delegated to him/ her.

36 Appointment of Bankers and Other Professional Advisors

- 36.1. The Finance and General Purposes Committee is responsible for the appointment of the College's bankers and other professional financial advisers (such as investment managers). The appointment shall be subject to regular review, the results of which will be reported to the Finance and General Purposes Committee. Colleges are required to subscribe to the Government Banking Service contract from financial year 2017-18.

37 Banking Arrangements

- 37.1. The College Director of Finance is responsible, on behalf of the Finance and General Purposes Committee, for liaising with the College's bankers in relation to the College's bank accounts. All payments shall be ordered on the authority of the Director of Finance, who shall make proper arrangements for their safe custody.
- 37.2. Colleges are required to subscribe to the Government Banking Services (GBS) contract from financial year 17-18 onwards.
- 37.3. Only the Director of Finance or nominated deputy may open or close a bank account for dealing with the College's funds. All bank accounts shall be in the name of the College or one of its subsidiary companies.
- 37.4. Cheque payments up to an agreed amount shall require one signature before release of funds. Cheque payments over £5,000 must be signed by two authorised persons. Details of authorised persons and limits shall be provided for in the College's Financial Manual. Individual payments with a value of less than £5,000 will be verified by an appropriately senior member of staff.

- 37.5. With the exception of inter-account transfers under £100,000, electronic banking payments must have separation between payment initiation and authorisation. One electronic authorisation is required and payments should then be countersigned by either the Finance Manager or the Director of Finance.
- 37.6. BACs payment runs to suppliers are countersigned by the Director of Finance after transmission. The exception to this is payroll where this is carried out prior to transmission. For details on transmission limits please see the Finance Manual.
- 37.7. The Director of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

INCOME

38 General

- 38.1. The Director of Finance is responsible for ensuring that the College receives all income to which it is entitled. All receipt forms, invoices or other official documents in use and electronic collection systems must have the prior approval of the Director of Finance. Levels of charges for all College services provided, including contract research, services rendered, goods supplied and rents and lettings will be reviewed regularly and agreed by the Finance and General Purposes Committee at least annually. The Director of Finance is responsible for the prompt collection, security and banking of all income received.
- 38.2. The Director of Finance is responsible for ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the College's accounts.
- 38.3. The Director of Finance is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

39 Maximisation of Income

- 39.1. It is the responsibility of all staff to ensure that revenue to the College is maximised, and for the identification, collection and banking of income.

40 Receipt of Cash, Cheques and Other Negotiable Instruments

- 40.1. All monies received within departments from whatever source must be recorded by the department on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable

instruments. Receipts must be given where money is delivered in person or where specifically requested, using official receipt stationery.

40.2. All monies received must be banked or paid to the cashier promptly, and in accordance with a timetable prescribed by the Director of Finance and set out in the Financial Procedures. The custody and transit of all monies received must comply with the requirements of the College's insurers.

40.3. All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous expenses or be paid into the petty cash float.

41 Collection of Debts

41.1. The Director of Finance is responsible for ensuring that:

- Debtors invoices are raised promptly on official invoices in respect of all income due to the College.
- Invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account.
- Any credits granted are valid, properly authorised and completely recorded.
- VAT is correctly charged where appropriate, and accounted for.
- Monies received are posted to the correct debtors account promptly.
- Swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures.
- Outstanding debts are monitored and reports prepared for management.

41.2. Only the Principal and Chief Executive or Director of Finance can implement non-standard credit arrangements outside those approved by the Finance and General Purposes Committee. Any subsequent changes to standard credit terms must be submitted to Finance and General Purposes Committee for approval.

41.3. Recovery of debts outside the standard terms of payment may include the right to charge interest on late payments under the terms of the Late Payment of Debts (Interest) Act 1998.

41.4. Requests to write off debts must be approved in accordance with the Financial Procedures. All debts written off must be in accordance with the College Scheme of Delegation (contained in the Governance Manual) and reported to the Finance and General Purposes Committee. Any write-offs greater than £3,000 must be reported to the SFC, through the Regional Strategic Body, on an annual basis (see Appendix G).

42 Student Fees

42.1. The Director of Finance is responsible for ensuring that all student fees due to the College are received. HE Fees are set by UHI and Inverness

College adheres to the UHI Fees Policy. Increases in FE student fees must be agreed by the Finance and General Purposes Committee.

- 42.2. Any student who has not paid an account for fees or any other item owing to the College will not be permitted to complete their course until all outstanding debts have been cleared. Such students shall be prevented from re-enrolling at the College and from using any of the College's facilities unless appropriate arrangements have been made and approval has been given by the Principal.

43 Discretionary Fund and Childcare Payments

- 43.1. The College will comply with the Scottish Funding Council scheme for discretionary fund payments. Under no circumstances should payments be made other than in accordance with this approved scheme.
- 43.2. The Director of Finance is responsible for ensuring the adequacy of the systems in place for:
- Approving funding awards in accordance with the scheme.
 - Paying awards that have been approved.
 - Recovering repayable loans that have been paid.

GRANTS AND CONTRACTS

44 General

- 44.1. Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Budget Holder to ensure that the financial implications have been appraised by the Director of Finance or a nominee. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.
- 44.2. The Director of Finance is responsible for ensuring that there is adequate provision of resources to meet all commitments. The Director of Finance should ensure that the full cost of the project or contract is established. The agreement must be in line with the Colleges Financial Procedures with regard to indirect costs and other expenses and taking account of different procedures for the pricing of projects depending on the nature of the funding body.
- 44.3. Grants and contracts must be submitted in the name of the College and authorised prior to submission. Only the Director of Finance or the Principal and Chief Executive may authorise applications on behalf of the College.
- 44.4. The Director of Finance shall ensure that all financial records relating to grants and contracts are maintained in the approved manner and that all claims for reimbursement are initiated by the due date.

44.5. Each grant or contract will have a named contact and will be assigned to a specific budget holder.

44.6. The budget holder will control pay and non-pay expenditure. The budget holder may delegate day-to-day control to a designated person, but any overspend or under-recovery of overheads is the responsibility of the budget holder with any loss being a charge on departmental funds.

45 Grant and Contract Conditions

45.1. Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions may result in the College suffering a significant financial penalty. It is the responsibility of the named supervisor or grant holder to ensure that conditions of funding are met. Any loss to the College resulting from a failure to meet conditions of funding is the responsibility of the budget holder, and will be charged against departmental funds.

OTHER INCOME GENERATING ACTIVITY

46 Private Consultancies and Other Paid Work

46.1. Unless otherwise stated in a staff member's contract, outside consultancies or other paid work may not be accepted without the consent of a member of the Senior Management Team (and in the case of a member of the Senior Management Team, the Principal).

46.2. Applications for permission to undertake work must be submitted for the appropriate authorisation and then be sent to the Director of Finance and will include the following information:

- The name of the member(s) of staff concerned.
- The title of the project and a brief description of the work involved.
- The proposed start date and duration of the work involved.
- Full details of any College resources required (for the calculation of the full economic cost).
- An undertaking that work will not interfere with the teaching and/ or normal College duties of the member(s) of staff concerned.
- Any intellectual property implications (due regard to section 55 of these Regulations).

47 Short Courses and Services Rendered Non Grant Funded Income

~~47.1.~~ ~~In this context, a short course is any course which does not form part of the award bearing teaching load of the department.~~ This relates to any commercial or non grant funded income including innovation funding and knowledge transfer partnerships. -

~~47.2.~~ ~~Any staff wishing to run a short course must have the permission of their Budget Holder. The course organiser will be responsible to the Budget Holder for day-to-day management of the course.~~ Any commercial or non grant funded activity, with the exception of Research and the Early Learning and Childcare centre will be managed by the Business Development Directorate.

~~47.3.~~ ~~The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.~~ All activity managed by the Business Development Directorate will be subject to the Directorate's agreed processes. All activities will be costed in accordance with resourcing rates agreed with the Finance Manager which will be reviewed on an annual basis. The Director of External Relations will sign off all costings with a view to market rates and sustainability.

~~47.3.~~ ~~47.4.~~ No income generating activities referred to in this section are to be undertaken without the approval of the Director of External Relations

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48 Profitability and Recovery of Overhead Costs

~~48.1.~~ 48.1 All other income-generating activities must be self-financing or surplus generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Director of Finance.

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49 External business and management consultancy contracts

~~49.1.~~ 48.1. Any external consultancy contracts with a value of more than £100,000 must be approved in advance by the SFC, through the Regional Strategic Body.

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50 Deficits

~~50.1.~~ 49.1. Any unplanned deficits incurred on other income-generating activities will be charged to departmental funds.

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51 Retention of income

~~51.1.~~ 50.1. The college can retain all commercial income, bequests or donations received. These funds will be in addition to any grant or funding the college receives from the Regional Strategic Body or SFC. There can be no carry forward of any funds.

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51.2.50.2. Donation of surplus funds to arms-length foundations

The College may donate any surplus on its income and expenditure account as at 31 March each year to an arms-length foundation (ALF), subject to approval from the Finance and General Purposes Committee. The donation must take place in the financial year in which it arises, and is subject to sufficient cash and resource cover being available. For the purposes of donations to an arms-length foundation, the financial year is the Scottish Government financial year which is April to March.

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52 Additional Contributions to Departments

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52.1.51.1. Distribution of profits on other income-generating activity between central funds of the College and individual departments will be in accordance with the Financial Procedures.

INTELLECTUAL PROPERTY RIGHTS AND PATENTS

53 General

53.1.52.1. Certain activities undertaken within Inverness College including research and consultancy may involve the creation of works, designs, databases and inventions which may give rise to copyright, design rights, patents and other proprietary rights, some of which may be patentable or registrable. These are collectively known as intellectual property.

54 Patents

54.1.53.1. The Principal is responsible for establishing a policy as required to deal with any patents or other intellectual property rights accruing to Inverness College from inventions and discoveries, works, designs and databases made by staff in the course of their work.

55 Intellectual Property Rights

55.1.54.1. In the event of the College deciding to become involved in the commercial exploitation of inventions and research or other intellectual property rights, the matter should then proceed in accordance with Intellectual

Property policy. These would be developed as required following legal advice and be approved by the Finance and General Purposes Committee. The College will adopt the UHI Intellectual Property Policy where applicable.

EXPENDITURE

56 General

~~6-1-55.1.~~ The Director of Finance is responsible for making payments to suppliers of goods and services to the College.

57 Delegation to Budget Holders

~~6-1-56.1.~~ The budget holder is responsible for purchases within their department. Budget holders are required to observe the College's Financial Procedures and adhere to guidelines in the Procurement Toolkit. Purchasing authority may be delegated to named individuals within the department.

~~6-2-56.2.~~ The Director of Finance shall maintain a register of authorised signatories and budget holders must supply them with specimen signatures of those authorised to commit the College to goods or services or to certify documents for payment.

~~6-3-56.3.~~ Central control by the Director of Finance shall be exercised over the creation of requisitioners and authorisers and their respective financial limits within any electronic requisitioning system.

~~6-4-56.4.~~ The Director of Finance must be notified immediately of any changes to the authorities to commit expenditure.

~~6-5-56.5.~~ Budget holders are not authorised to commit the College to expenditure without first ensuring that sufficient funds are available in an approved budget to meet the cost.

58 Procurement

~~57.1.~~ Inverness College requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.

~~4.1.●~~ Inverness College UHI operates a devolved procurement policy where by low value ~~—low risk goods~~ and services under procurement route 1 and 2 are delegated to the respective stakeholders/budget holders to carry out the procurement exercise. Any high value ~~and high risk~~ procurement activity is to be carried out by the College Procurement team in line with the 4 year spend

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Commented [FM1]: Budget holders are not asked to make a judgement on risk, the procurement routes are determined by value in the first instance however if the procurement route based on value could create some risk to the College then a higher level route may be applied.

analysis and also Scottish Government Regulations covering regulated procurement tender exercises. Any procurement activity which may present exposure risk to the College regardless of value should be referred to the College Procurement team. For example, this could include activity where potential conflict of interests may arise.

4.2-57.2. The Director of Finance is responsible for:

- Ensuring that procurement is undertaken by appropriately trained and authorised staff and treated as a key component of achieving the institution's objectives consistent with the principles of Best Value, the highest professional standards and any legal requirement.
- Ensuring that all procurement activity is in compliance with:
 - The Procurement Reform (Scotland) Act 2014
 - The Public Contracts (Scotland) Regulations 2015
 - The Procurement (Scotland) Regulations 2016
 - EU Procurement Directives 2014
 - Modern Slavery Act 2015
 - Criminal Finances Act 2017
 - Data Protection Act 1998,
 - General Data Protection Regulation (EU 2016/679) (GDPR)
 - Fair Work Practices
- Local Governance (Inverness College Financial Regulations)
- The drafting and negotiation of all Tender notices undertaken by Inverness College, in collaboration with the budget holder and on legal advice, where required, ensuring that Inverness College complies with relevant regulations on public purchasing policy.
- Ensuring that Inverness College's Procurement arrangements are known and observed by all involved in purchasing for Inverness College which is detailed in Appendix F – Procurement Thresholds.
- Advising on matters of College purchasing and practice
- Advising and assisting staff where required on specific departmental purchases.
- Developing appropriate standing supply arrangements on behalf of Inverness College to assist budget holders in meeting their value for money obligations.
- Ensuring all orders are authorised before they leave Inverness College, no verbal or email instructions to proceed are to be issued to suppliers.
- By exception, ensuring that any accepted conditions of contract for the purchase of goods do not expose the College to unacceptable risk. The Inverness College Terms and Conditions are to be used unless agreed in advance by the Director of Finance.

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59 Tender Management (Tenders and Quotations)

4.1-58.1. Budget Holders and delegated budget holders must comply with the Financial Procedures. The procurement thresholds are as follows:

Route 1 < £3000	Devolved Procurement Route	4 year spend to be checked and verified. Local / National Framework
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		Agreements to be checked
<£500	By All Staff	1 quote or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder No Single Source Form required
>£500 <£1000	By Technicians / Delegates	2 quotes or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder By exception and where applicable a Single Source Form should be completed and approved by all concerned. Single Source Form is required for single supplier. Single source supply may be permitted on an exceptional basis only, and only where it is supported and evidenced with a clear, valid <u>justification rationale</u> approved by both the College Procurement team and the Budget Holder.
>£1000 <£3000	By Budget Holder or Delegate	Evidence of market research is to be provided - includes catalogue, internet print outs and 2 formal written quotes are required that meets with the Inverness College Value for Money Policy. By exception and where applicable a Single Source Form should be completed and approved by all concerned. Single Source Form required for single supplier. Single source supply may be permitted on an exceptional basis only, and only where it is supported and evidenced with a clear, valid <u>rationale justification</u> approved by both the College Procurement team and the Budget Holder.
Route 2 >£3,000 & <£9,999	Devolved Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
	By Budget Holder or Delegate	3 formal written quotes are required that meets with the IC Value for Money Policy. By exception and where applicable a Single Source Form should be completed and approved by all concerned. Single Source Form is required for single supplier. Single source supply may be permitted on an exceptional basis only, and only where it is supported and evidenced with a

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		<u>clear, valid justification rationale approved by the College Procurement team, the Budget Holder and the Director of Finance.</u>
Route 3 >£10,000 & <£49,999	Regulated Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
	By College Procurement Team	Competitive tendering on PCS using Quick Quote
Route 4A > £50,000 & Below OJEU	Regulated Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
Below OJEU Threshold	By APUC / College Procurement Team	Competitive quotes on PCS-Tender
Route 4B OJEU Compliance	Regulated Procurement Route	4 year spend to be checked and verified for PCS-T & OJEU compliance. Local / National Framework Agreements to be checked
Supply, Services and Design Contracts >£181,302 (as at 1 January 2018)	By APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016 and the statutory guidance.
Works Contracts >£4,551,413 (as at 1 January 2018)	By APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016 and the statutory guidance.

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Notes:

These thresholds will apply to all Enquiries or Contracts processed locally or through the Public Contracts Scotland Portal (PCS) and all purchase orders processed regardless of the system used e.g. PECOS, SUN, Credit Card transactions.

The use of any relevant Local and National Framework Agreements are also to be considered.

As per government regulations, the 4 year cumulative spend has to be reviewed to ensure it does not exceed £50K within a 4 year window - (4 x £12.5K) unless a National Framework Agreement exists.

It is important that the total lifecycle costing and impact mapping is considered.

Working towards cost savings and cost avoidance is paramount with greater focus towards improved efficiencies, contract management and budget/cost management will be monitored.

4.2-58.2. Requisitions **must not be split** into smaller order quantities in order to avoid the correct procurement route.

4.3-58.3. When considering the correct procurement amount to apply, where spend is recurring, this should be calculated over a 4-year period. This has to take into account the whole commodity range and the expenditure across the College (excluding VAT).

4.4-58.4. Exceptions to using Procurement Routes 1, 2, 3 and 4 is where by there is a suitable National Framework Agreement in place or where there is **clear, valid** evidence and justification for using only one supplier.

4.5-58.5. Suppliers/contractors **must be made** aware of Inverness College's Terms and Conditions and these must be accepted in full. If there are deviations from these, this must be highlighted and reviewed by the College Procurement Team.

4.6-58.6. For further information on these subjects, please see the Finance Manual and if further advice is required please contact the College Procurement Team.

60 Contracts

4.1-59.1. The College Procurement Team who will also be involved in the evaluation of bids and formal contracts award must only undertake the issue and receipt of tenders.

4.2-59.2. The achievement of value for money will be an objective in the letting of all contracts. No contract will be awarded for a period beyond which a budget has been approved unless specifically approved in writing by the Director of Finance.

61 Purchase Orders

4.1-60.1. The ordering of goods and services shall be in accordance with the College's Financial Procedures and Procurement Toolkit. Where possible orders must be placed using the current e-procurement system.

4.2-60.2. For any circumstances that we are unable to process purchase orders via the current e-procurement system then a Purchase Order Requisition must be completed in advance and passed to the Finance Department to raise the official College purchase order. Purchase orders must be in place **in advance** for the purchase of all goods and/or services rendered unless the goods or services are specified in the Finance Manual as excepted items.

4.3.60.3. No verbal or email instructions are to be issued to suppliers in advance of requisitions and purchase orders being approved by the respective approvers in our current e-procurement system or our own Financial System.

4.4.60.4. The College will not accept responsibility for meeting or reimbursing the cost of goods or services purchased in any other circumstances.

4.5.60.5. All purchase order requisitions/orders must be placed using the purchase order template and be approved by a designated budget holder in accordance with the scheme of delegated authority.

4.6.60.6. It is the responsibility of the Director of Finance to ensure that all purchase orders refer to the College's terms and conditions of contract.

62 Receipt of Goods

4.1.61.1. All goods and services shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification.

4.2.61.2. If the goods received are deemed to be unsatisfactory, the supplier should be notified immediately, so that they can be collected for return as soon as possible. Where goods are short on delivery, again the supplier should be notified immediately.

4.3.61.3. Where possible, all persons receiving goods on behalf of the College should be independent of those who negotiated prices and terms and placed the official order.

63 Payment of Invoices

4.1.62.1. All payments shall be in a form specified by the Director of Finance.

4.2.62.2. The Director of Finance is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer.

4.3.62.3. Budget Holders are responsible for ensuring that expenditure within their departments does not exceed an approved budget.

4.4.62.4. Suppliers should be instructed by the purchase order to submit invoices for goods or services to the Finance Department. Care must be taken by the delegated budget holder to ensure that discounts receivable are obtained.

4.5.62.5. Payments will only be made by the Finance Department against invoices that have been approved for payment. Payment in advance of the receipt of goods or services shall not be made except with the prior approval of the Director of Finance.

~~4.6.62.6.~~ Approval of an invoice for payment will ensure that:

- The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory.
- Where appropriate, the invoice is matched to the order.
- Invoice details (quantity, price discount) are correct.
- The invoice is arithmetically correct.
- The invoice has not previously been passed for payment.
- Where appropriate, an entry has been made on a stores record or departmental inventory.

~~63.7.~~ The College shall ensure that all invoices are paid within thirty (30) days. To assist with this all invoices should be approved timeously.

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64 Reporting of Expenditure

~~63.8-63.1.~~ Appendix G sets out the levels for certain categories of expenditure above which the College should report annually to SFC through the Regional Strategic Body. The report should describe the number of instances and total cost, by category.

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65 Petty Cash

64.1. Petty Cash may be obtained to pay for small items of equipment (up to £35.00) required urgently. There may also be an allowance to hold petty cash amounts in certain College locations, further detail is contained in the Finance Manual.

66 Other Payments

65.1. Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Director of Finance, supported by detailed claims approved by the budget holder.

65.2. Any other non-trade payments should be requested in a form prescribed by the Director of Finance and be authorised by the appropriate budget holder.

67 Late Payment Rules

~~4.1-66.1.~~ The Late Payment of Debts (Interest) Act 1998 was introduced to give businesses the right to charge interest on late payments from large organisations and public authorities. In view of the penalties in this Act,

invoices must be authorised for payment as soon as they are received, unless there is valid reason to withhold approval, and paid within the supplier's terms.

68 Leasing

2.1.67.1. Lease agreements for buildings must be approved and signed by the Director of Finance.

2.2.67.2. Equipment may be acquired under an operating lease or a finance lease. Finance leases must be accounted for in the balance sheet in the normal manner. Operating leases must be signed by the Director of Finance. Details of all lease agreements will be kept within the Finance Office and monitored by the Contracts and Procurement Co-ordinator in relation to expiry and renewals.

PAY EXPENDITURE

69 Remuneration

4.1.68.1. All College staff will be appointed in accordance with the appropriate conditions of service. All letters of appointment must be issued by the Human Resources department.

4.2.68.2. Remuneration and other benefits must fall within budget limits approved by the Board of Management.

70 Appointment of Staff

4.1.69.1. All contracts of service shall be concluded in accordance with the College's human resources practices and procedures and all offers of employment with the College shall be made in writing by the Director of Organisational Development. Budget holders must ensure that the Director of Finance and the Director of Organisational Development are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

71 Salaries and Wages

2.4.70.1. The Director of Finance is responsible for the payment of salaries and wages to all staff including payments for overtime or other additional services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Director of Finance.

2.2.70.2. The Director of Organisational Development will be responsible for keeping the Director of Finance informed of all matters relating to personnel for payroll purposes. In particular, these include the human resources policies approved for application in the College together with the following in relation to individual staff:

- Appointments, resignations, dismissals, supervisions, secondments and transfers.
- Changes in remuneration including normal increments and pay awards.
- Information necessary to maintain records of service for superannuation, income tax and national insurance.

4.4.70.3. The Director of Finance is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

4.2.70.4. The Director of Finance shall be responsible for keeping all records relating to payroll including those of a statutory nature.

4.3.70.5. All payments must be made in accordance with the College Financial Procedures and comply with HMRC regulations.

72 Superannuation Schemes

4.4.71.1. The Board of Management is the employer in relation to appropriate pension arrangements for employees.

4.2.71.2. The Director of Finance is responsible for day-to-day superannuation matters, including:

- Paying contributions to various authorised superannuation schemes.
- Preparing the annual return to various superannuation schemes.

4.4.71.3. The Director of Organisational Development is responsible for administering eligibility for pension arrangements and for informing when deductions should begin or cease for staff.

73 Travel, Subsistence and Other Allowances

2.4.72.1. All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Director of Finance and will be in accordance with the Financial Manual.

2.2.72.2. Claims by members of staff must be authorised by the budget holder. The certification by the budget holder shall be taken to mean that:

- Journeys were authorised.
- The expenses were properly and necessarily incurred.
- The allowances are properly payable by the College.

- Consideration has been given to value for money in choosing the mode of transport.

4.1.72.3. Claims for expenses by the Principal and Chief Executive shall be approved by the Chair of the Board of Management, and expenses for the Board of Management shall be approved by the College Secretary.

74 Giving Gifts and Hospitality

2.1.73.1. Staff entertaining guests from outside bodies should use the College catering facilities where possible, and within budget. Where this is not the case, claims for reimbursement should state clearly that they relate to hospitality and includes the necessary receipts and details required by the Financial Procedures

2.2.73.2. Gifts and hospitality must be reasonable and proportionate, both in frequency and scale, to the nature of the relationship and must not exceed normal business courtesy. They must only be offered or accepted for the primary purpose of better presenting Inverness College UHI or establishing cordial relationships with business partners.

2.3.73.3. The offer of gifts and corporate hospitality should have a demonstrable link to the work of the College and represent good value for money.

2.4.73.4. A corporate gift is a tangible item or service given to another on behalf of an organisation. Common gifts include pens, diaries, calendars and other business stationery, keyrings, souvenirs, books, flowers, bouquets and promotional items.

75 Overseas Travel

1.1.74.1. All arrangements for overseas travel must be in accordance with the Financial Manual. Any approvals required must be obtained in advance of committing the college to those arrangements or confirmation of any travel bookings. All overseas travel must be notified to the Financial Manager for insurance purposes.

76 Expenses for members of the Board of Management

2.1.75.1. Claims for members of the Board of Management will be approved by the College Secretary as budget holder.

77 Severance and Other Non-Recurring Payments

3.1.76.1. Severance payments shall only be made in accordance with the relevant guidelines and legislation. In particular, the college must follow the requirements of the Scottish Public Finance Manual (SPFM) in determining

settlement agreements, severance, early retirement and redundancy arrangements and payments. Any such scheme or payment must be approved by the SFC, through the Regional Strategic Body.

3-2-76.2. The college must have regard to the principles of good practice contained in Audit Scotland's May 2013 report: 'Managing early departures from the Scottish public sector'.

3-3-76.3. All payments must be authorised by the Principal and Chief Executive. Approval of early retirement packages, enhanced pension arrangements or financial packages in excess of statutory provision is reserved by the Board of Management after prior approval by the SFC. Any special severance payment out with a severance scheme approved by SFC in excess of £1,000 must be approved by SFC (see Appendix G).

3-4-76.4. All matters referred to an employment tribunal shall be notified to the Director of Finance at the earliest opportunity in order that budget provision may be made.

ASSETS

78 Land, Buildings, Fixed Plant and Machinery

4-4-77.1. The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the Board of Management and with reference to funding body requirements where exchequer-funded assets or exchequer funds are involved.

79 Fixed Asset Register

2-4-78.1. The Director of Finance is responsible for maintaining the College's register of capital assets. Budget holders will provide the Director of Finance with any information he or she may need to maintain the register.

80 Property Register

3-4-79.1. The Director of Finance is responsible for maintaining a full register of properties owned or occupied by the College.

3-2-79.2. When transferring equipment between departments, the transfer must be recorded, a copy of the record sent to the Director of Finance and the inventories amended accordingly.

81 Stocks and Stores

4-4-80.1. Budget holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their

departments. The systems used for stores accounting in departments must have the approval of the Director of Finance.

4.2.80.2. Budget holders are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature will be subject to appropriate security checks. Advice should be obtained from the College's Health and Safety Officer.

4.3.80.3. Budget holders whose stocks require valuation in the balance sheet must ensure that appropriate stocktaking procedures are in place and have the approval of the Director of Finance.

82 Safeguarding Assets

4.1.81.1. Budget holders are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They should contact the senior manager with responsibility for Estates in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

4.2.81.2. Assets owned by the College shall, so far as is practical, be effectively marked to identify them as College property.

83 Personal Use

4.1.82.1. Assets owned or leased by the College shall not be subject to personal use except by approval by the Director of Finance.

84 Asset Disposal

2.1.83.1. Disposal of equipment and furniture, whether by sale or otherwise, requires the prior written authorisation of the Director of Finance and must be in accordance with the Finance Manual.

2.2.83.2. Disposal of land and buildings must only take place with the authorisation of the Board of Management. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset.

FUNDS ON TRUST

85 Gifts, Benefactions and Donations

4.1.84.1. The Director of Finance is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the College and initiating claims for recovery of tax where appropriate.

86 Student Support Funds

~~2-1-85.1.~~ The Director of Finance will prescribe the format for recording the use of student funds. Records of support funds will be maintained according to funding body requirements.

87 Trust Funds

~~3-1-86.1.~~ The Director of Finance is responsible for maintaining a record of the requirements for each trust fund and for advising the Finance and General Purposes Committee on the control and investment of fund balances.

88 Voluntary Funds

~~4-1-87.1.~~ The Director of Finance shall be informed of any fund that is not an official fund of the College, which is controlled wholly or in part by a member of staff in relation to their function in the college. The accounts of any such fund shall be audited by an independent person and shall be submitted with a certificate of audit to the appropriate body. The Director of Finance shall be entitled to verify that this has been done.

OTHER

89 Insurance

~~5-1-88.1.~~ The Director of Finance is responsible for the College's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management arrangements, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and should provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be reviewed annually.

~~5-2-88.2.~~ It has been agreed by Scottish Ministers that colleges can extend their current commercial insurance arrangements until 31 July 2018.

~~5-3-88.3.~~ The Estates function is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

~~5-4-88.4.~~ All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use at their own cost.

90 Companies, Partnerships, Joint Ventures and Other Charitable Vehicles

4.1.89.1. In certain circumstances it may be advantageous to establish a company, joint venture or other appropriate legal entity to undertake services on behalf of the College. Any member of staff considering the use of such an entity should first seek the advice of the Director of Finance, who should have due regard to guidance issued by the funding body.

4.2.89.2. The Board of Management is responsible for approving the establishment of all companies or other legal entities. This will have regard to any guidance provided by the funding body.

4.3.89.3. It is the responsibility of the Board of Management to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the College.

4.4.89.4. The directors of companies where the College is the majority shareholder must prepare an annual report. They will also submit business plans or budgets as requested to enable the Finance and General Purposes Committee to assess the risk to the College. The College's internal and external auditors shall also be appointed to such companies.

4.5.89.5. Where the College is the majority shareholder in a company, that company's financial year shall be consistent with that of the College.

91 Security

All staff, irrespective of grade, have a general responsibility for the security of all College property, although certain senior staff will have more specifically defined responsibilities.

Strategic and Operational Managers have responsibility for maintaining proper security, custody and control at all times of the plant, buildings, materials, stores, furniture, equipment, cash, etc. under their control. They should consult with the Estates Manager and/or a relevant member of the Senior Management Team in any cases where security is considered to be defective or where it is considered that special security arrangements may be required.

4.1.90.1. Keys to safes or other similar containers are to be kept securely at all times. The loss of such keys must be reported to the Director of Finance immediately.

4.2.90.2. The ICT Manager shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act ~~1998-2018~~ and the EU General Data Protection Regulation (GDPR) 2018. The Data Controller shall be nominated to ensure compliance with the Act and the safety of documents.

~~4.3.90.3.~~ The Director of Finance is responsible for the safekeeping of certain official and legal documents relating to the College. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Director of Finance. All such documents shall be held in an appropriately secure, fireproof location.

92 Provision of Indemnities or Guarantees

~~4.4.91.1.~~ Any request for indemnity or guarantee can only be given by the Director of Finance or the Principal.

APPENDIX A - Financial Memorandum

To Access the Financial Memorandum please click on the following link:

<https://www.inverness.uhi.ac.uk/t4-media/one-web/inverness/about-us/board-of-management/6.FinancialMemorandumbetweenUniversityoftheHighlandsandIslands.pdf>

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APPENDIX B - Key Contacts in Finance

The Finance Department is located in G1 of the ground floor of the Beechwood Campus. There is also a cash office located on the ground floor to the left of the main reception desk at Beechwood. The cash office is normally open between 9.00 and 15.00 (Monday to Friday).

In order to obtain maximum benefit from the Finance Department, it is important to observe any published deadlines. These deadlines have been established and agreed in order to guarantee the delivery of particular services which might not otherwise be achievable.

The main services offered by the Finance Department are noted below:

- Creditor payments
- Collection of income
- Payroll
- Travel service
- Insurance
- Financial accounting
- Capital projects
- Budget monitoring
- Budget planning
- Internal audit
- Policy and procedures
- Purchasing
- Contract development and maintenance
- Tendering management
- Operational issues re. vendors, purchases etc.
- Administration and payment of student support funds.
- Value for Money control

Director of Finance	01463 273260
Finance Manager	01463 273408

APPENDIX C - Capital Expenditure Appraisal

Purpose: to ensure that all capital expenditure proposals are suitably evaluated and properly authorised.

Outline capital expenditure proposals must be consistent with the aims and objectives of the College Strategic and Operational Plans, and also, where appropriate, other strategies and policies, including the Estates and ICT. Specific reference should be made in any proposal to the objective within the Strategic Plan that the proposal links to.

Any capital expenditure proposal should also include the following:

- The specification of the needs and objectives of the proposal within the context of the organisation's strategic plans.
- The identification of all available options.
- The valuation of the costs, benefits, timing and risks involved. The costs of the project must include any professional fees associated and also VAT.
- The identification of any available funding.
- The analysis of the results and assessment of affordability.
- The recommendation for the option selected.
- The extent and scope of the appraisal process will vary depending on the scale of the expenditure and the nature of the project. The extent of the appraisal will be determined by the Senior Management Team and will normally be carried out during the planning process cycle.

Capital Expenditure procedures must comply with the financial memorandum issued by the SFC (see Appendix 1), and for major projects, observe any specific procedural notes issued by the SFC. Proposals for all major projects will require to be supported by a full business plan.

Projects will be ranked by the Senior Management Team (SMT) in terms of priority to facilitate the decision making process and impose strict budgetary control. Available grant funding and the criteria and timing constraints imposed by grant providers will influence the evaluation process and the ranking of projects.

SMT will advise relevant College managers when approval has been given for capital expenditure. Finance will incorporate the expenditure into the annual capital expenditure plan.

If an organisation invests in a project, it expects a return, and deciding on a project involves making a long-term decision. One of the things organisations consider is the time value of money – if I have £5 now, how much is it worth in 4 years time? This is where we use the Net Present Value (NPV) method to appraise an investment opportunity. The other two main ways are the Internal Rate of Return (IRR) and the Payback method. The three methods are described below and assistance in their calculation can be sought from Finance.

The Principles of Discounted Cash Flow

The basic principle of discounting is that if we wish to have £x in so many years time, we need to invest y at an interest rate of z in order to get that sum of money.

Present value just means the amount of money which must be invested now to make a certain amount of money in so many years time.

Capital Investment Appraisal – Net Present Value (NPV) method

Discounted cash flow methods can be used to appraise capital investment projects. The two main methods are NPV and IRR, but there is also the payback method.

Net present value method - calculates the present values of all items of income & expenditure related to a project at a given rate of return & calculates a net total. If it is positive, then it is ok to invest in that project, but if it is negative, it is not a good investment.

Capital Investment Appraisal – Internal Rate of Return (IRR) method

The IRR method determines the rate of interest (the internal rate of return) at which the NPV is zero. The internal rate of return is therefore the rate of return on an investment.

The IRR method will indicate if a project is viable if the IRR exceeds the minimum acceptable rate of return.

Capital Investment Appraisal – Payback method

The payback period is the time that is required for the inflows to equal the outflows. Before it can be calculated, you must know the initial cash outflow & the estimate of future earnings/ savings.

There are two ways to use the payback period:

- a) Accept project with the shortest payback period.
- b) Have a payback period limit, where only projects which are less than the period limit will be accepted.

The Payback method is often used as a first step in project appraisal but it should not be used alone for decisions. If it passes the payback test, NPV or IRR should then be used.

Click on the links below for examples:

- [NPV Example](#)
- [Payback Example](#)

APPENDIX D - Summary of Protocols for Proposed Major Developments

Any proposal for major developments should be supported by a business plan for at least three years which sets out:

- a demonstration of the proposal's consistency with the strategic plans approved by the governing body and with the College's powers under current legislation;
- details of the market need and the assumptions (based on reference data) of the level of business available;
- details of the business and what product or service will be delivered;
- an outline plan for promoting the business to the identified market and achieving planned levels of business;
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues;
- details of any premises and other resources required;
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions;
- contingency plans for managing adverse sensitivities;
- consideration of taxation and other legislative or regulatory issues; and,
- At least a three-year financial forecast for the proposal including a cash flow forecast and details of the impact on the College cash flow forecast for the financial years in question.

APPENDIX E - Internal Audit Responsibilities

The primary responsibility of the internal audit service is to provide the funding body, the Board of Management and managers of the College with assurance on the adequacy and effectiveness of the internal control system, including risk management and governance. Responsibility for internal control remains with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud. Internal audit also plays a valuable role in helping management to improve systems of internal control and so to reduce the potential effects of any significant risks faced by the College. Risk management provides the opportunity for internal audit work to be efficient and focused. It does not necessarily imply that internal audit activity has to be increased.

Internal audit can also provide independent and objective consultancy advice specifically to help management improve the internal control system, including risk management and governance. In such circumstances, internal auditors apply their professional skills in a systematic and disciplined way to contribute to the achievement of corporate objectives. Such advisory work contributes to the opinion that internal audit provides on internal control, including risk management and governance.

APPENDIX F – Procurement Thresholds

Inverness College UHI work with [Advanced Procurement for Universities and Colleges](#), to support the development of advanced procurement across the further and high education sector in Scotland.

The college has also signed up to the [Scottish Government's Suppliers' Charter](#) as part of our commitment to working together with other Public Sector buying organisations and Scottish businesses in order to improve public sector procurement processes and dialogue. When calculating the contract value, for a one-off purchase, the total cost of the good(s) or service(s) will provide the contract value. If the purchase is a recurring spend, the College will calculate the value over 4 years to establish the total contract value.

A national framework or local contract that meets the requirements must be used in the first instance for all tendering activity.

Inverness College is committed to carrying out procurement activities in an environmentally, socially, ethically and economically responsible manner and to entering into agreements and contracts with suppliers that share and adhere to its vision. Inverness College demonstrate this through its promotion of the APUC Supply Chain of Conduct. A copy of the APUC Supply Chain of Conduct is located in the Finance Manual.

For Goods and Services

For Goods and Services greater than £50,000 and less than the OJEU thresholds – the College Procurement Team must undertake a formal tendering process and must advertise on the national advertising website Public Contracts Scotland. Additionally the Board of Management must provide approval.

Over EU Threshold – For Goods, Services and Works Projects must undertake a full formal tendering process and advertise the contract in the Official Journal of the European Union, as well as on Public Contracts Scotland (www.ojec.com/thresholds). This will be carried out by the College Procurement Team. Additionally the Board of Management must provide approval.

For Works Projects

£2m – 4.1m – this must undertake a formal tendering process and must advertise on the national advertising website Public Contracts Scotland. This will be carried out by the College Procurement Team. Additionally Board of Management must provide approval.

>£4.1m – a full formal tendering process must be undertaken and advertise the contract in the Official Journal of the European Union, as well as on Public Contracts Scotland. <https://www.ojec.com/Thresholds.aspx> This will be carried out by the College Procurement Team with additional approval by the Board of Management.

Sustainable Procurement Duty

For Procurement exercises (>£50k Goods & Services / Works £2m) Inverness College is committed to the sustainable Procurement Duty and promises to:

Improve the economic, social, and environmental wellbeing of the authority's area,
Facilitate the involvement of small and medium enterprises, third sector bodies;
supported businesses in the process; and promote innovation.

Route 1 < £3000	Devolved Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
<£500	By All Staff	1 quote or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder No Single Source Form required
>£500 <£1000	By Technicians / Delegates	2 quotes or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder <u>Single source supply may be permitted on an exceptional basis only, and only where it is supported and evidenced with a clear, valid justification rationale approved by both the College Procurement team and the Budget Holder. By exception and where applicable a Single Source Form should be completed and approved by all concerned.</u>
>£1000 < £3000	By Budget Holder or Delegate	Evidence of market research is to be provided - includes catalogue, internet print outs and 2 formal written quotes are required that meets with the Inverness College Value for Money Policy. <u>Single source supply may be permitted on an exceptional basis only, and only where it is supported and evidenced with a clear, valid justification rationale approved by both the College Procurement team and the Budget Holder. By exception and where applicable a Single Source Form should be completed and approved by all concerned.</u>
Route 2 >£3,000 & <£9,999	Devolved Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
	By Budget Holder or Delegate	3 formal written quotes are required that meets with the IC Value for Money

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		Policy. <u>Single source supply may be permitted on an exceptional basis only, and only where it is supported and evidenced with a clear, valid rationale justifying approval by the College Procurement team, the Budget Holder and the Director of Finance. By exception and where applicable a Single Source Form should be completed and approved by all concerned.</u>
Route 3 >£10,000 & <£49,999	Regulated Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
	By College Procurement Team	Competitive tendering on PCS using Quick Quote
Route 4A > £50,000 & Below OJEU	Regulated Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
Below OJEU Threshold	By APUC / College Procurement Team	Competitive quotes on PCS-Tender
Route 4B OJEU Compliance	Regulated Procurement Route	4 year spend to be checked and verified for PCS-T & OJEU compliance. Local / National Framework Agreements to be checked
Supply, Services and Design Contracts >£181,302 (as at 1 January 2018)	By APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016 and the statutory guidance.
Works Contracts >£4,551,413 (as at 1 January 2018)	By APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016 and the statutory guidance.
Route 1 < £3000	By	4-year spend to be checked and verified. Local / National Framework Agreements to be checked
<£500	All Staff	1 quote or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder No Single Source Form required

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>£500-<£1000	By Technicians / Delegates	2 quotes or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder Single Source Form is required for single supplier
>£1000-<£3000	By Budget Holder or Delegate	Evidence of market research is to be provided – includes catalogue, internet print outs and 2 formal written quotes are required that meets with the Inverness College Value for Money Policy. Single Source Form required for single supplier
Route 2 >£3,000 & <£9,999	By	4-year spend to be checked and verified. Local / National Framework Agreements to be checked
	By Budget Holder or Delegate	3 formal written quotes are required that meets with the IC Value for Money Policy. Single Source Form is required for single supplier.
Route 3 >£10,000 & <£49,999	By	4-year spend to be checked and verified. Local / National Framework Agreements to be checked
	College Procurement Team	Competitive tendering on PCS using Quick Quote
Route 4A >£50,000 & Below OJEU	By	4-year spend to be checked and verified. Local / National Framework Agreements to be checked
Below OJEU Threshold	APUC / College Procurement Team	Competitive quotes on PCS Tender
Route 4B OJEU Compliance	By	4-year spend to be checked and verified for PCS-T & OJEU compliance. Local / National Framework Agreements to be checked
Supply, Services and Design Contracts >£164,176	APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016 and the statutory guidance.
Works Contracts >£4,104,394	APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement

		(Scotland) Regulations 2016 and the statutory guidance.
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Notes:

These thresholds will apply to all Enquiries or Contracts processed locally or through the Public Contracts Scotland Portal (PCS) and all purchase orders processed regardless of the system used e.g. PECOS, SUN, Credit Card transactions.

The use of any relevant Local and National Framework Agreements are also to be considered.

As per government regulations, the 4 year cumulative spend has to be reviewed to ensure it does not exceed £50K within a 4 year window - (4 x £12.5K) unless a National Framework Agreement exists.

It is important that the total lifecycle costing and impact mapping is considered.

Working towards cost savings and cost avoidance is paramount with greater focus towards improved efficiencies, contract management and budget/cost management will be monitored.

Requisitions must **not** be split into smaller order quantities in order to avoid the correct procurement route.

For Major Works projects over £4m Community Benefit Clauses will be considered and documented.

APPENDIX G – Delegated Financial Limits and Annual Reporting Requirements

Delegated financial limits and annual reporting requirements for Regional Colleges and Regional Boards

Delegated financial limits

External Business and management consultancies	£100,000
Special severance payments	£1,000
Operating leases-non property	£250,000
Procurement non-competitive action	£25,000

Annual reporting requirements

Extra contractual payments	£5,000
Compensation payments	£5,000
Ex-gratia payments	£1,000
Claims waived or abandoned	£3,000
Write-off of bad debt	£3,000
Losses	£3,000
Overseas student irrecoverable loss	£6,000
Fraud loss	£5,000

Board of Management

Subject/Title:	Finance System Project Status Update
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Board of Management
Meeting Date:	18 December 2018
Date Paper prepared:	10 December 2018
Brief Summary of the paper:	To update the Board of Management with the current status of the Finance System project and provide information on potential alternative options. The project status was discussed at both Audit and Finance and General Purposes Committees and it was requested that a detailed paper was provided to Board as the lack of progress on this project presents a key risk to the College.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Risk Management – ineffective systems increase the risk exposure of the College.
Resource implications:	Yes
Risk implications:	Yes If yes, please specify: Operational: Budgetary control adversely impacted through lack of sufficient management information. Organisational: Ineffective management of significant risks leading to adverse financial impacts
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	No		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	X	Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Board of Management

Subject/Title:	Student Recruitment 2018-19
Author: [Name and Job title]	Roddy Henry, Depute Principal
Meeting:	Board of Management
Meeting Date:	18 December 2018
Date Paper prepared:	11 December 2018
Brief Summary of the paper:	To provide an update on student recruitment so far in 2018-19.
Action requested: [Approval, recommendation, discussion, noting]	The Board of Management is requested to discuss the report
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Opportunity and Growth in Student Life Opportunity and Growth in Curriculum
Resource implications:	Yes – if targets not met
Risk implications:	Yes Operational: staffing resource Organisational: financial sustainability if targets not met
Equality and Diversity implications:	N/A
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Non-Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Student Recruitment 2018-19

Executive Summary

The student recruitment targets for 2018-19 are:

- FE: 29,507 credits
- HE: 1,618 FTE (funded UG)

FE credit activity is running slightly behind where it was at this time last year. January recruitment is underway and additional activity is being planned for semester 2. At this stage, FE activity is forecast to make target by the end of the year.

HE activity by full-time equivalent (FTE) is currently 97.6% of target at 1,579.25 FTE when counted by module attachment. However, an analysis of enrolments takes the end of year projection to approximately 1,600 FTE, 99% of target.

Main body of information

Student activity against targets 2018-19 as at 11th December 2018

FE

The core credit target for 2018-19 is 28,915, with an additional ESIF credit target of 296.

FE	2018/19
Core Credit Target	28,915
ESF Target	296
Total Target	29,211
Total Credits as at 11/12/2018	25,000
<i>Total Credits as at 11/12/2017</i>	<i>25,229</i>

Current enrolments for 2018-19 at FE level total 3,394, generating 25,000 credits, which is 85.6% of our target. At this point in the year some part-time students are still to be attached to units and are therefore not yet generating credits.

The remaining FE credits should be generated through recruitment onto semester 2 programmes.

HE

The PPF (funded undergraduate with a fee status of Scottish or European) target for is 1,618 FTE. As at 11th December 2018 the FTE, counting by module attachment, is 1,579.25FTE, which is 97.6% of target.

The Student Records Team are following up confirmation of curriculum delivery for a number of students studying on a part-time, unstructured or block release basis. It is estimated, based on mode of attendance this will generate a further 20 FTE, taking the

projected total to approximately 1,600 FTE. Some further HE activity is due to enrol in semester 2, which may add up to another 10 FTE to the projected final total.

PPF Target HE FTE (Undergraduate students, including SC and EU fee statuses, excluding PGDE)	1,618
Current HE students as at 11/12/2017 - count by Module attachment.	1,579.25

Roddy Henry
Depute principal

Board of Management

Subject/Title:	Principal's Report
Author: [Name and Job title]	Prof Christopher O'Neil, Principal & Chief Executive
Meeting:	Board of Management
Meeting Date:	18 th December 2018
Date Paper prepared:	10 th December 2018
Brief Summary of the paper:	This report provides the Board with an overview of new and continuing activity
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	No If yes, please specify:
Risk implications:	No If yes, please specify:
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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PRINCIPAL'S REPORT

Introduction

The focus of the autumn period has been around welcoming new and continuing students into the college whilst continuing with the many projects and work streams we are responsible for as part of our annual cycle.

Finance / Funding

Our accounts for the last academic year are now closed and available as reported elsewhere.

We achieved our income and numbers targets around credit and HE funded numbers but, it must be noted that this was hard work.

There is a significant and growing demographic shift in the UK and the impact upon Scotland's regions is illustrated in appendix I.

We are now seeking refined data for Inverness and our area to ensure that we are maximising our offer. We believe that the growth of Inverness, both in terms of housing and business development may mitigate against the Highland and Island position but we need statistical evidence.

Equally, we are aware that Scotland's focus upon productivity and Continuous Professional Development (CPD) for post 24 year olds may offer some softening of the demographic divide indicated.

There has been debate within Colleges Scotland and within the region, about the impact of Brexit and the focus of skilled and low skilled European labour. This too may have a positive impact upon the need for our offer but there will be concerns around the increasingly flexible modes of delivery needed to satisfy employers.

Whilst we did not achieve our modest international recruitment targets, we did improve our income by achieving additional numbers in areas such as commercial and apprenticeships. This area of our work remains positive.

Internationalisation and RUK recruitment will be a key focus for Professor Ken Russel when he joins the SMT on the 28th of January.

Away Day – Finance

Following guidance from the Board, SMT held a finance strategy away day to build an enhanced financial strategy and operational effectiveness. The day, which was attended by Professor Russel and Executive Office's (EO) Financial Director Niall McArthur was positive.

We began with an overview and analysis of the FFR return to the Scottish Funding Council (SFC)

The FFR is a “no change – do nothing” scenario that all colleges return to the SFC. It is an important document from the SFC’s perspective because it supports them in building their funding arguments ahead of the Scottish budget.

The document illustrates how our position becomes increasing difficult:-

19/20 £627k underlying deficit

20/21 £567k underlying deficit

21/22 £1.3m underlying deficit

22/23 £1.8 underlying deficit

Whilst this is the worst possible position, in using this as a guide we were able to begin the process of identifying key areas of activity to enhance income and confirm that actions we have taken to date such as curriculum review and structural change, are correct.

The day led us to clarify 6 key strategic themes and in unpacking the issues around International and RUK, it became apparent that our actions must be further focused, whilst impediments within and out with the college were revealed.

The scale of growth needed is less daunting as strategies for student roll through as “repeat customers” are refined. Targets will be in the low 10’s. However, some of the challenges are structural and in the control of EO who hold the Tier 4 licence.

The work at the away-day is leading to a first and complete drafting of the strategy. There are second and third sessions scheduled ahead of the Board away day by which time, it is our intention to have a penultimate draft with supporting data.

Curriculum Review – Update

The curriculum review, which will have a significant role in our forward planning, continues. The PDM-Heads have conducted stop and review events, are using data – in particular Heidi plus, with full support of Reina Edmiston a junior administrator (who is reported, is performing exceptionally well.)

There will be a full presentation to SMT on the perceived position of the current curriculum and proposals for change and growth on the 5th of February 2019. It will be underpinned with a full rationale based upon data.

Structure

We have implemented the “snapshot” (appendix II) to clarify relationship and interdependencies. The changes to the PDM and other roles including Assessors, PATs

and “Super PATs” and the creation of subject deputies are going through processes of discussion, assessment and confirmation.

The first set of presentations to JCC are imminent.

Our intention to build an accountable structure with opportunity for personal progression is understood and (to date) accepted. The structure is designed to be cost neutral and has been constructed to better ensure communication.

The MORAG meeting replaces the old AMG and OMG meetings by combining them. Following our second MORAG, the views are positive particularly around an annualised agenda. The meetings though need to be refined as they could be unwieldy if not properly focused.

Brexit

At the time of writing, information is being supplied by Universities UK (UUK) and the SFC that explores the impact of Brexit upon European students. If available, information will be presented at the Board meeting as a late paper.

Other News

We have (as seen through the presentation earlier) decided to re-occupy a part of Midmills for Art & Design. This has proved to be popular with the staff and with our stakeholders in Inverness’s cultural sector.

We are in discussion around the acquisition of an area opposite the Scottish School of Forestry as a potential site for a Timber Technology Centre. To date, an outline/scoping meeting with the council has proved to be positive as one of the key risks is planning.

The Investors in People survey has now been returned and at the time of writing has been read and not analysed. However, there are some key points that should be noted. We had 77% engagement for permanent staff and 50% engagement from supply staff. Both of these figures are exceptionally high.

There are some other points of note including our structure and culture of continuous improvement regarded as exemplary and worthy of Platinum recognition by IIP. Equally there are some areas of low satisfaction particularly in where we have initiated some difficult HR casework.

The EIS have engaged with a ballot for action. We have kept a close dialogue with Union colleagues on this and we may or may not be affected by the first day of action on 16th January 2019. We will, of course inform the Boards as more is known.

The “Programme Board” – which is looking at the issues around merger or change following the Partnership Assembly continues to meet. There are four main work streams.

- I. Governance
- II. Finance
- III. Staff Experience/Development
- IV. Student Experience

I will be able to update further at the time of the Board following an important Programme Board meeting on 11 December.

The UHI Vice Chancellor has announced his retirement and will leave the organisation in July 2019.

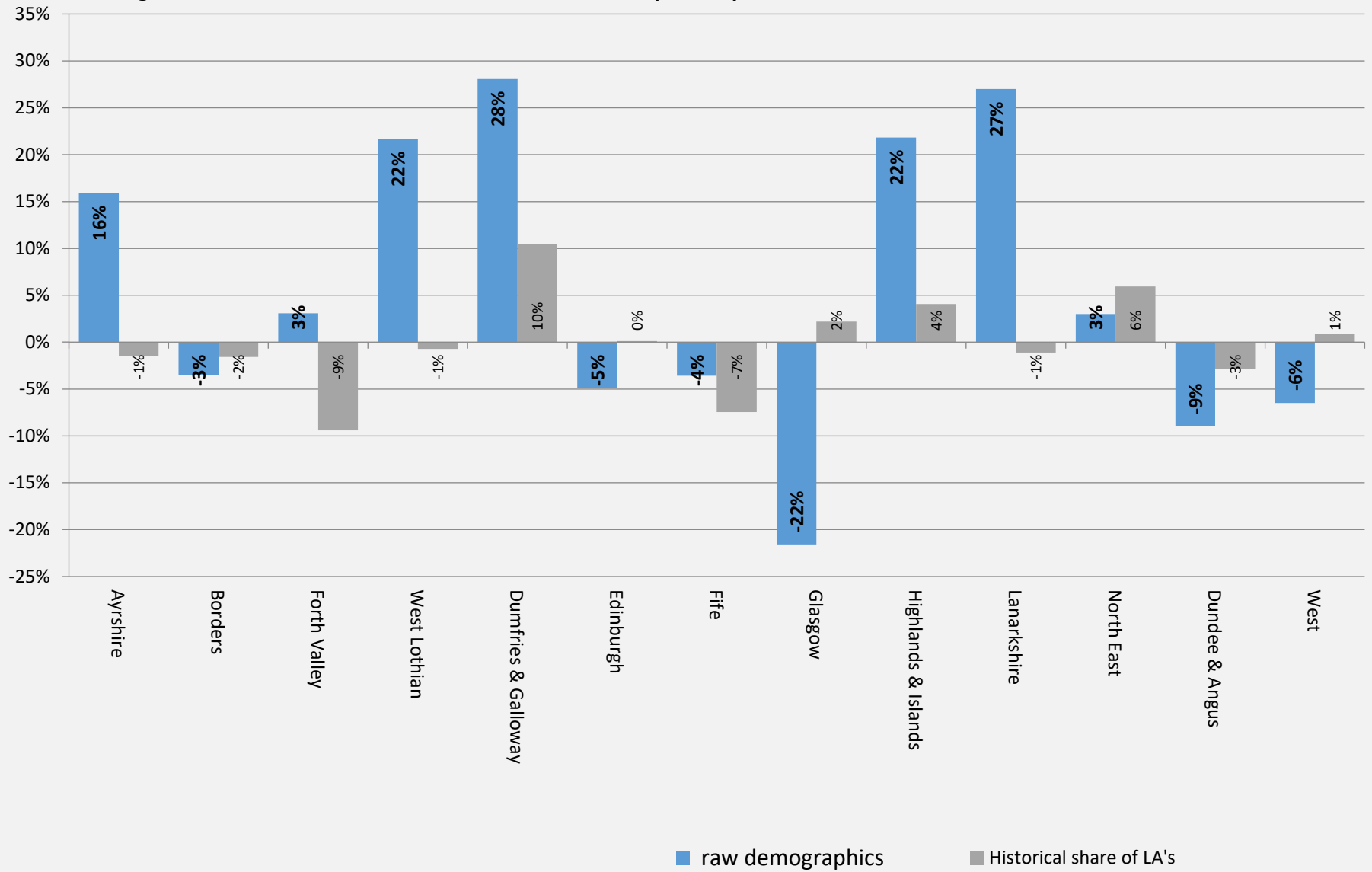
Of note:-

- Dr Carol Langston, Head of Entrepreneurship visited Massachusetts Institute of Technology with HIE to develop news ideas on the role the college and wider university can play in supporting education and collaborating with businesses for global growth.
- Three members of staff achieved their PhD in the last year. Helen Coker, Alice Mongiello and Carol Langston are invited to join colleagues at a celebratory afternoon tea in December to mark their achievements.
- Inverness College UHI has been accredited by the Scottish Living Wage Foundation as a UK Living Wage employer.
- CREATE has developed a newly-accredited Masters-level module for SES 'The Enterprising Educator' to complement the existing Enterprising Practitioner's Programme.
- A delegation from Henan University of Urban Construction, China visited Inverness in October.
- Guidance staff accepted a highly commended award at the CDN awards for Health Promoting College, recognising the work the team has done to support student and staff mental health wellbeing.
- In response to increased demand, we are now delivering a Modern Apprenticeship in Cyber Security. Capgemini has signed up 12 employees, with a further 10 to come on board in January 2019.
- Students will be encouraged to 'Paws against Stress', an initiative to help them relax. Therapets from the Canine Concern Scotland Trust visited on Wednesday 14th November.
- Amanda Bryan has been appointed Head of the Scottish School of Forestry on an interim basis following the departure of Elizabeth Barron-Majerik, who recently took up the post of Lantra Scotland director.

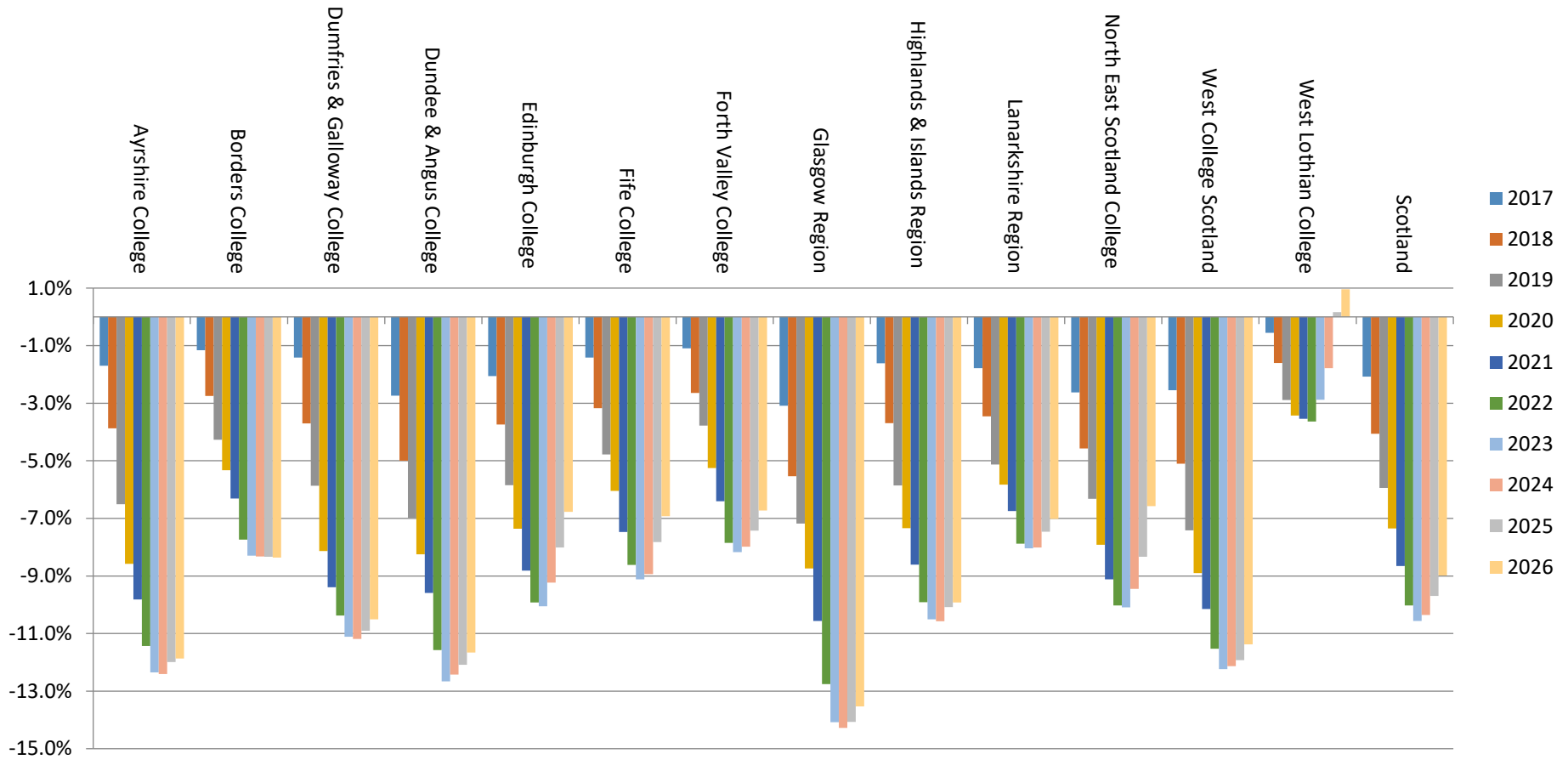
And finally – Longman (is nearly) no more.....

Professor Christopher O'Neil
Principal and CEO

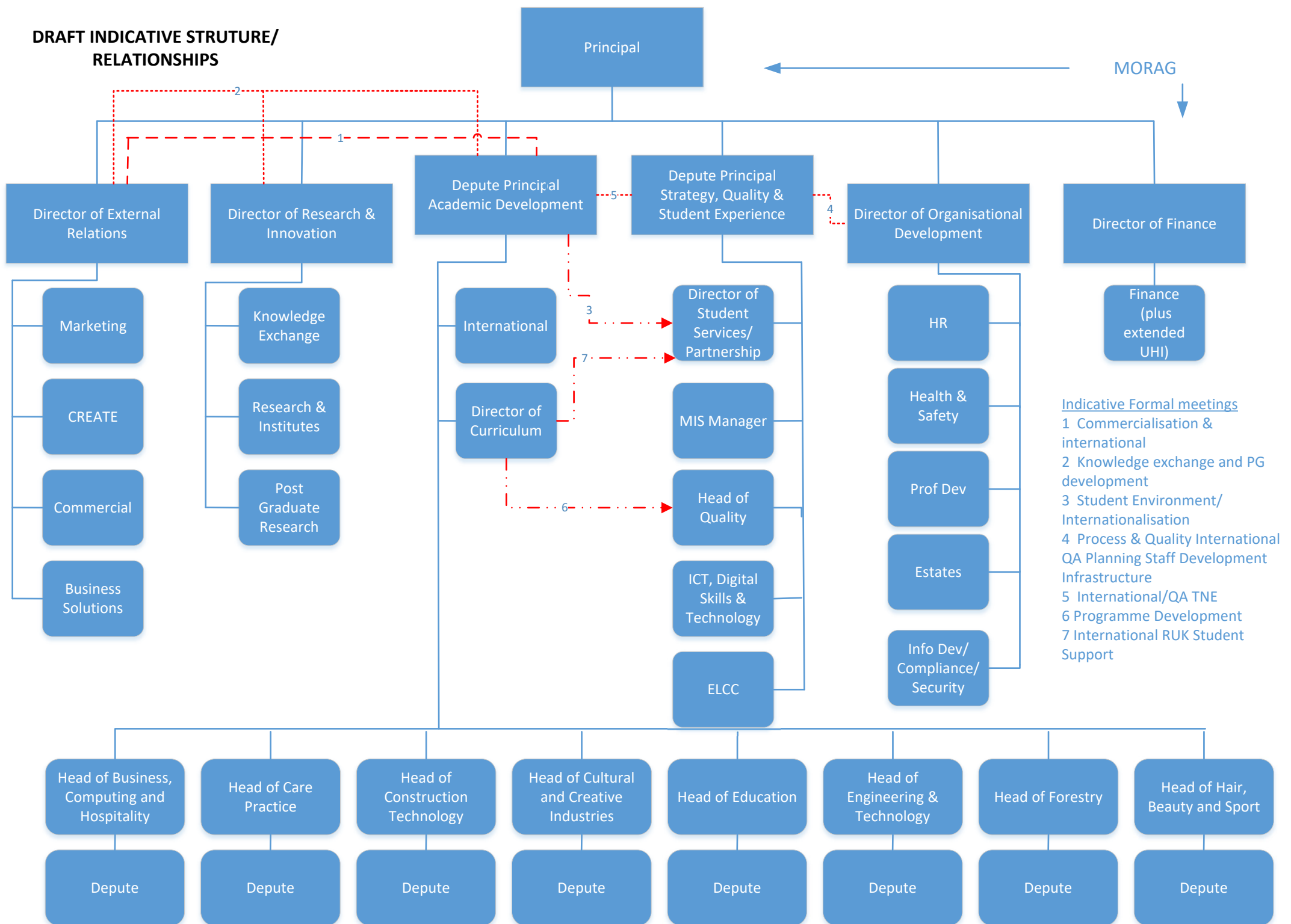
Change from 2018-19 allocations before and after metropolitan pull



Projected change in 16 to 24 year old population from 2016 by college region **(based on NRS LA population projections)**



**DRAFT INDICATIVE STRUTURE/
RELATIONSHIPS**



Board of Management

Subject/Title:	Brexit Update
Author: [Name and Job title]	Prof Christopher O'Neil, Principal & Chief Executive
Meeting:	Board of Management
Meeting Date:	18 th December 2018
Date Paper prepared:	12 th December 2018
Brief Summary of the paper:	
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	No If yes, please specify:
Risk implications:	No If yes, please specify:
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Brexit – What we know

This short paper examines some of the concerns that are raised by Brexit in relation to our undergraduate and FE provision and research. The paper draws together work undertaken by Universities UK and the SFC. The previous notes around Brexit supplied to the last Board meeting were in relation to grant funding and commitments made in principle by the UK government. There remains an ‘in principle’ commitment to ensuring key activities are supported but there is growing sector wide concern that funding streams and policies are yet to be fully identified.

What do we know?

The Westminster Government has put “stability resources” in place and made a number of announcements and commitments to reassure the sector.

For example, Horizon 2020 will be underwritten post 2019 accession. Any successful submission to the fund pre the Horizon 2020 application deadline will only be resourced in the remaining 2020 funding period.

Many of the proposals for post Brexit UK based support are built around sector and regional growth with the key intention being that the University sector in particular helps drive productivity and innovation.

However, Scotland has adopted a very useful position for IC UHI.

Key priorities for Scotland’s development through FE, HE and Science, as represented by the Minister are:

- Export
- Business Creation & Growth
- Work Place Innovation
- Future Skills

With productivity as a constant and re-occurring theme.

Research funds/development funds

As previously reported, the following funds will either be created or expanded to ensure the loss of university/college capacity enabled by ESF, ESIF and Horizon 2020 funding be replaced. However, whilst sources and levels of funding have not been fully or wholly explained there is equal concern around commitments to the duration of funding. Equally, the eligibility and access to much of the funding has yet to be defined. There has always been concern and tension across the sector between Ancients, Russell Group and Post ‘92s on access to Quality Research funding. We, and the wider UHI must engage with the debate around REF 2020 and subsequent research and knowledge transfer policies and initiatives in addition to lobbying through Colleges Scotland and UUK.

New funds announced include –

- UK Prosperity Fund
- UK Research and Innovation - UKRI

- Industrial Strategy Challenge Fund – ISCF

Existing/repurposed funds with research/training potential include –

- Sector funding
- City/Regional Deals

And, in Scotland it will be announced in January that the University Innovation Fund will be expanded and/or supported by The Advanced Manufacturing Challenge Fund which will be open to college led applications.

Our drive for UHI to be recognised nationally as a research informed institution with niche areas of international excellence within the colleges with defined regional relevance through research and an enhanced curriculum must be protected.

In addition, any ambition to develop a league table position could also be challenged.

Impact of Brexit upon students

Mobility

A critical risk to us is that the Brexit negotiations end without a deal being reached creating uncertainty for prospective EU students and sustainable support for Erasmus+. Whilst a commitment to the principles of European student mobility through Erasmus+ was made in July 2018 it is still subject to agreement with the EU and will only continue until the end of 2020.

EU student fee status/financial support

The UK Government has confirmed that EU students starting a course in 2019/20 (the first cycle post-Brexit) will still be eligible for home fee status and for financial support as per existing rules. Scotland, which currently hosts a proportionally large number of EU students is committed to continuing to offer free tuition status to the same 2019/20 cohort but there is no commitment, at this point, for following cohorts.

HE UG EU students across Scotland are circa 8% and the college based EU registered students are only 2%. But, the number of EU students enrolled in colleges with Scottish post codes is believed to number 16,000 giving a figure closer to 7%.

The SFC have expressed a concern that the loss of EU students will have a detrimental impact upon Scotland, the internationalisation of our education system and the sustainability of some courses and programmes.

Qualifications recognition

The UK government wants to establish a system of mutual recognition of professional qualifications (MRPQ) that covers the same range of professions as the existing MRPQ Directive. The professions falling under the Directive are nurses, midwives, doctors (general practitioners and specialists), dental practitioners, pharmacists, architects and veterinary surgeons.

UHI will be impacted in nursing and (probably) Midwifery and there may be an IC impact upon Oral Health, Architectural Technology and our ambition to develop Architecture.

Current numbers and applications are low in volume but high as a proportion of relatively small courses.

For 2018/19

EU Fee Status Applications

BSc Oral Health Science 12
BSc Architectural Technology 5
BSc Adult Nursing 29

For 2017/18

EU Fee Status Applications

BSc Oral Health Science 1
BSc Architectural Technology 2
BSc Adult Nursing 24

At this point, questions have been raised around the potential need for EU students to apply for study visas in the short or medium term and the impact this may have upon the current Tier 4 arrangements.

Impact of Brexit upon EU staff

The SFC are reporting anecdotal evidence that employment applications from EU citizens have dropped. This is a key concern for all Scottish institutions that have always benefited from and supported the principle of European mobility.

27% of Scotland's university research community is European and European staff number as much as 20% in some institutions. We have always experienced challenges in recruiting staff to Inverness and the situation we find ourselves in pre Brexit is far from helpful.

The impact upon Tier 2 is unknown.

On all of the above, we await guidance from the UK Government.

Professor Christopher O'Neil
Principal and CEO

SMT and AP Quarterly Status Reports

Committee	University Court
Subject	Academic Partner and University Senior Management Team Quarterly Status Updates
Action requested	<input checked="" type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Brief summary of the paper	Update reports for period covering 1 September – 30 November 2018
Resource implications (If yes, please provide details)	No Click or tap here to enter text.
Risk implications (If yes, please provide details)	Yes Issues/ concerns captured in paper
Date paper prepared	21/11/2018
Date of committee meeting	28/11/2018
Author	University SMT and AP Principals (compiled by N Oakley)
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information. 	Information sharing
<u>Equality and diversity</u> Does this activity/ proposal require an Equality Impact Assessment?	No If yes, please give details: Click or tap here to enter text.

SMT and AP Quarterly Status Reports

<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p>Status (e.g. confidential)</p>	<p>Non-confidential</p>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p>	<p>Open</p>
<p>Consultation</p> <p>How has consultation with partners been carried out?</p>	<p>Described in paper</p>

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

<p>Its disclosure would substantially prejudice a programme of research</p>	<input type="checkbox"/>	<p>Its disclosure would substantially prejudice the effective conduct of public affairs</p>	<input type="checkbox"/>
<p>Its disclosure would substantially prejudice the commercial interests of any person or organisation</p>	<input type="checkbox"/>	<p>Its disclosure would constitute a breach of confidence actionable in court</p>	<input type="checkbox"/>
<p>Its disclosure would constitute a breach of the Data Protection Act</p>	<input type="checkbox"/>	<p>Other [please give further details] Click or tap here to enter text.</p>	<input type="checkbox"/>

For how long must the paper be withheld? Click or tap here to enter text.

Introduction from the Principal and Vice-Chancellor

The aim of this report is to provide members of the court and academic partner boards with a broad overview of some of the key activities, challenges, and opportunities that are taking place within the university, and to receive these updates directly from the senior management team and academic partner principals.

First Partnership Assembly

Nearly 100 delegates attended the Partnership Assembly in September and whilst it was clear from the discussions on the day that there is a lot of work to do and challenges to overcome, it was also clear that there is a willingness and an appetite to identify and implement changes that will further enhance the student experience and deliver increased opportunities for staff in terms of progression and development. I'm sure we all look forward to hearing from the new Programme board on their activities in due course, and know that we will continue to strive towards excellence for our students, staff, stakeholders, and local communities.

Foundation Conference

We held our Foundation conference in Dornoch at North Highland College's Burghfield House site on 9th October. The conference was well attended with an interesting programme discussing 'what is a university'. This included presentations from Professor Bill Ritchie (former Vice-Chancellor at Lancaster University), Professor Stuart Gibb, Dr David Worthington and myself plus the opportunity for participants to see local facilities with catering provided by our students.

NSS

Overall satisfaction for the University has increased by 6% from 2017 results to 85%. This is 2% above the University's benchmark, and the biggest increase within the Scottish sector with us coming 5th overall in Scotland.

The University's score for Overall Satisfaction is 2% above the Scottish sector meaning that we have achieved the target figure for the Student Satisfaction Critical Performance Indicator (CPI 3a) within the University's Strategic Vision and Plan.

Student of the Year

We also announced the university's Student of the Year winners this quarter. Rhea Kay from Shetland College UHI was named as the Higher Education Student of the Year, Crisdean Saunders from Lews Castle College UHI the Further Education Student of the Year, and James Ellsmoor, a distance-learning student who was enrolled at Orkney College UHI, was awarded the Postgraduate Student of the Year title.

Minister for Further and Higher Education

Mr Richard Lochhead MSP is our new Minister for Further and Higher Education and I have had a number of opportunities to speak with him over the past few months. As a local MSP (Moray) he is well aware of the challenges we face in the Highlands and Islands, but he is challenging us in a very positive way to go much further, particularly regarding interactions with business, economic development and innovation. I have a further meeting with him in early December.

Research Capital Funding

The Department for Business, Energy and the Industrial Strategy (DBEIS) provided a total of £16.7M research capital grant funding to the Scottish Funding Council (SFC) in 2017/18. The SFC matched this and also committed £16.7M for research capital in 2018/19. The SFC allocated this funding in proportion to a university's research income from UK Research Councils. These arrangements led to the University of the Highlands being one of only nine universities in Scotland to receive this funding. In 2017/18 the university received £0.54M. In 2018/19 the University is again one of only nine universities to receive this funding. In 2018/19 the university received £0.48M.

In both 2017/18 and 2018/19 the funding has been distributed across the academic partnership through a standard formula which reflects research excellence. In 2017/18 it was used to fund a wide range of capital projects. For example at SAMS UHI approximately £322K of funding was used to reconfigure laboratory roof space to: (i) make it watertight; (ii) provide adequate drainage; and (iii) replace main chiller units which were at

SMT and AP Quarterly Status Reports

end of useable life and badly corroded. At Orkney College UHI approximately £15K of funding was used to enhance facilities for the increased number of PhD students within the Institute of Northern Studies. A third example was within the School of Health and Social Care where, reflecting the significant growth of research activity, approximately £82K of funding was used to purchase new research equipment and maintain existing research facilities for diabetes research.

Honorary Awards

We have awarded our first two honorary doctorates, to Eileen Mackay at the Highland Theological College Graduation ceremony in Dingwall and to Dee Bradbury at the Argyll College graduation ceremony in Oban.

Ongoing Challenges

- Further financial uncertainties including single year budget settlements from Scottish Government, FFR's indicating growing deficits, increased pension costs and uncertainty regarding the long term effects of national bargaining.
- Intensification of regional outcome agreements.
- Residences.
- Student price groups.
- Growing competition.
- Brexit.

Prof Clive Mulholland

Principal and Vice-Chancellor

SMT and AP Quarterly Status Reports

Deputy Principal

Prepared by Professor Crichton Lang, Deputy Principal and Acting Head of School of Health, Social Care and Life Sciences

Notable accomplishments

- 12.9.18 Chaired inaugural meeting of UHI Animal Welfare and Environment Committee
- 25.9.18 Visit from President and Finance Officer for the Federation of Ophthalmic and Dispensing Options and Senior Managers from Specsavers to discuss ophthalmology developments and financial support
- 3.10.18 Formal ScotGEM launch, St Andrews University with Jeanne Freeman, Cab Sec - Health and Sport
- 12.11.18 Chaired the inaugural meeting of the Assembly – Programme Board
- 14/15.11.18 QAA ELIR training, Glasgow
- 27.11.18 UHI representative on ScotGEM Programme Board, St Andrews

Significant events/ awards

- 10.9.18 Chaired annual planning event with direct reports to identify priorities and efficiencies
- 10.9.18 Visit from Chief Nursing Officer to welcome new nursing students and discuss plans for further developments in nursing and midwifery.
- 20.9.19 Met with Ian Kinniburgh, Chair, NHS Orkney to discuss school of health developments
- 21.9.18 Inverness Campus Partnership Forum with John Swinney, Deputy First Minister
- 12.11.18 Visit from University College, Absalon, Denmark to discuss remote and rural educational models

Collaboration with other academic partners

- 18.9.18 Accompanied Vice Chair of Court on West Highland College visit
- 20.9.18 Accompanied Chair of Court on visit to Orkney College
- 5.10.18 Met with Principals Moray College & Inverness College to discuss Optometry developments
- 11.10.18 Interview Panel for Deputy Principal, Perth College at Perth
- 22.10.18 Attended Convention of Highlands & Islands, Elgin as senior executive representative
- 8.11.18 Met in Thurso with Principal, NHC and NHS leads re Health and Social Care Sept – November attended and presided at several UHI Academic Partner graduation ceremonies
- Sept – November: attended and presided at several UHI Academic Partner graduation ceremonies

Issues or concerns

Wide range and volume of key external stakeholder demands, in addition to “core” responsibilities is adding very significantly to workloads. We need to manage these effectively and efficiently across the senior team.

SMT and AP Quarterly Status Reports

Chief Operating Officer and Secretary

Prepared by Fiona M Larg

Notable accomplishments

Following feedback, servicedesk has augmented its out of hours support to the partnership. Two students are taking up roles to extend core servicedesk opening hours. They will provide support by email, phone, live chat and, in a first for servicedesk, drop in support at the Centre for Health Science. The service is available to all users in the partnership.

- Coordination of successful bid to SSE for additional support for STEM resulting in award offer of £150,000.
- Renegotiation of new two year donation package from Lord Leverhulme Trust.
- Approval in principle for financial transactions funding to purchase Centre for Health Science

Significant events/ awards

- **Orkney College UHI graduation**

The Chancellor, Her Royal Highness The Princess Royal, presided over the Orkney College UHI graduation at St Magnus Cathedral on 1 October. She presented certificates to 286 graduates including a degree to Niamh Mackenzie, granddaughter of Dr Val MacIver, former Rector and chair of the Highland Council steering group set up to examine the case for creating a university in 1991.

- **First partnership assembly and programme board**

Nearly 100 delegates from across the University of the Highlands and Islands partnership met in Inverness on 26 September for their first ever assembly. Trade unions and the Scottish Funding Council joined staff, students, governors and executive teams to consider how the partnership should continue to develop in the coming years to meet the needs of the region and respond effectively to a rapidly changing world.

A 24-strong programme board, formed from the constituent groups represented on the assembly, met on 12 November. They will be developing partnership-wide options for change to address the challenges identified. With a focus on an equitable student experience across the partnership and a bespoke service to our communities, the board plans to define detailed requirements and then use expert working groups to provide an evidence base. They will present a sustainable way forward to a future meeting of the assembly.

- UHI Foundation Conference held at North Highland College UHI Dornoch campus.
- First meeting of the newly established Development Committee held.

Student awards

The 2018 Student of the Year winners are all enrolled at island campuses. Rhea Kay from Shetland College UHI has been named as the Higher Education Student of the Year, Crisdean Saunders from Lews Castle College UHI is the Further Education Student of the Year and James Ellsmoor, a distance-learning student who was enrolled at Orkney College UHI, has been awarded the Postgraduate Student of the Year title.

Other awards

- Alumnus of the Year 2018 awarded to Rachael Bews at the Inverness College UHI graduation ceremony.
- Willie Printie Prize for Engineering Excellence 2018 awarded to Alexander Mackay.
- Highland Society of London Prizes awarded to Riven Peake and Yvonne D'Cruz Noble.
- First meeting of the newly established Development Committee and confirmation of Evelyn Johnston's appointment as Chair.
- Highland Society of London Prizes awarded to Riven Peake and Yvonne D'Cruz Noble.

Collaboration with other academic partners

- Assistance provided to Lews Castle College UHI for the appointment (and induction) of new board members.
- Liaison meeting held with academic partner Board Secretaries
- Meeting held with academic Audit Chairs (and meeting of academic partner Finance Committee chairs scheduled for mid-December)
- Induction session on the university provided for new board members at Lews Castle College
- Student Development Fund open - applications received from Inverness College UHI, Lews Castle College, North Highland College, Perth College, SAMS, Shetland College and West Highland College

Issues or concerns

- Occupancy of student residences remains a concern. Continuing to work to mitigate risks associated with under occupancy.

SMT and AP Quarterly Status Reports

Vice-Principal Enterprise

Prepared by Jeff Howarth

Significant events/ awards

The Institute for Health Research and Innovation has received in total £1.75m of charitable funding for schizophrenia research. Plans are now being developed to create national research programme in collaboration with match funding from the Chief Scientist Office.

Issues or concerns

The capital project in partnership with NHH and HIE is on track but is proving difficult to obtain a formal approved agreement between all the partners.

Also, a grant application for an ERDF extension to this project is also taking far longer than expected to obtain a result. This is causing a threat to timely delivery of the wider project.

SMT and AP Quarterly Status Reports

Vice-Principal Further Education and Work-based Learning

Prepared by Diane Rawlinson

Notable accomplishments

- Undertaken the Further Education Self-Evaluation of the Regional Outcome Agreement prior to joint FE/HE submission to SFC on 30th October.
- Attended and contributed to three academic partner Evaluative Report and Enhancement Planning (EREP) pre-endorsement meeting on behalf of the RSB, discussing partner EREP submissions to SFC along with associated proposed grades.
- Developed the draft further education aspects of the ROA for 2019/2020 – 2021/2022, including draft targets across all national measures, ready for internal consultation prior to negotiation with SFC during December and January.
- On behalf of UHI, developed responses to two SFC consultations on changes to funding mechanisms.

Significant events/ awards

- Organised and jointly ran with the Chair of the Quality Forum a regional FE Quality Review Event to agree a partnership approach to implementation of the regional attainment strategy and shared approach to quality enhancement. Partners at the event endorsed the strategic use of resources such as Associate Assessors to undertake subject- reviews and a thematic regional approach to enhancement of approaches to learning and teaching as well as student attainment.
- Led a collaborative approach to curriculum review and planning at LCC with participation from several partners and LCC leadership and management team.

Collaboration with other academic partners

- Attended the Northern Alliance Advisory Forum on behalf of the partnership securing UHI representation on the Northern Alliance Senior Phase Curriculum Work stream, ensuring UHI's extensive senior phase offer is recognised and that it continues to develop in line with Local Authority need across the region.
- Organised and participated in a meeting of Principals and senior staff of SFC to discuss the proposed demographic model for future allocation of further education activity.
- Participated in the UHI Programme Board initiative to identify an agreed approach to working in future.
- Proposed a UHI approach to consultation and engagement with community planning partners across the region on the Regional Outcome Agreement and academic partner contribution to its delivery to align with SFC guidance.

Other progress

UHI Work-Based Learning Hub

- In-year growth in the Modern Apprenticeship contract achieved – an additional net growth of 21 places awarded.
- FA Contract for 2019/21 awarded to support further growth from 2018/20
- Total apprenticeship contract value no exceeding £6.9m.

Single Policy Environment Project

- Four policies now complete with 5 further nearing completion. Underpinning procedures nearing completion for the initial 4 policies for implementation in the new year.

SMT and AP Quarterly Status Reports

Vice-Principal Research

Prepared by Professor Neil Simco, Vice- Principal (Research and Knowledge Exchange)

Notable accomplishments

- This autumn has seen the University becoming part of two national Doctoral Training Programmes for the first time, one through the Scottish Graduate School of Arts and Humanities (SGSAH) and the other through the Marine Alliance for Science and Technology (MASTS). This is a significant indicator of the developing reputation of the University in research.
- In September the first student to graduate with a UHI research degree (at Masters level), using the University's research degree awarding powers, graduated from SAMS UHI.
- In relation to knowledge exchange income, the University saw a 2.5% increase in 2017/18 compared with 2016/17. This increase, if sustained, reverses a number of years of declining activity.

Significant events/ awards

- The University aspires to make a growing contribution to the Industrial Strategy Challenge Fund (ISCF). It has used University Innovation Fund (UIF) monies to launch a bespoke fund to enable the preparation of bids for major projects. In addition the University is in the process of appointing a new (fixed-term) member of staff to make the link between ISCF national projects and the engagement with these by UHI staff.
- The University's biennial research conference will be held over three days in December 2018 at Perth College UHI and is on course to attract a large number of research students and staff, with a really interesting range of external speakers, internal speakers, and student and staff workshops and paper presentation sessions.
- The University is making preparations for its engagement with the national Postgraduate Research Student Experience Survey (PRES) and results will be known later in 2018/19.
- Preparations for the University's Research Excellence Framework (REF) submission continue, with an excellent training day for the preparation of impact case studies in September, with detailed preparations for the University's Mock REF, and with significant work completed for the required Code of Practice for the REF.

Collaboration with other academic partners

- A collaborative relationship is developing with Scotland's Rural College (SRUC) focused on natural capital in the blue and green economy. The two institutions are looking to position for a major funding bid to the next wave of the Strength in Places Fund (UK Research and Innovation Funding). Two inter-institutional meetings have been held, one in September and one in November in order to define specific projects.
- At the time of writing, the University, along with the all other bidders, is awaiting news of whether it has been successful in its Expression of Interest to the Strength in Places Fund. This is a multi-million pound bid which focuses on marine science and which involves UHI, the University of Stirling, the University of Heriot Watt and businesses.

Issues or concerns

- The focus on research integrity continues across the sector with the prospect of a revised research integrity concordat in the next year or so, and the potential for enhanced sector wide regulation.

SMT and AP Quarterly Status Reports

Vice-Principal International and External Engagement

Prepared by Professor Stuart Gibb

Notable accomplishments

- UHI opened its first 'international micro-campus' at the Hunan Institute of Engineering in China (see UHI newsletter, P+J etc). The development builds on an existing working partnership between the two organisations, and will provide UHI a platform for developing undergraduate and postgraduate provision in China and for promoting joint research.
- Awareness raising within the partnership: UHI Staff Newsletter 243 is an 'International Special Edition' and highlights some of the range and diversity of international activity across partnership e.g. International graduation & micro-campus opening; International Students' Day; University welcomes Chinese delegates; My international exchange; International research student spotlight; Student blogs about Japan trip.
- 'International curriculum': Process for 'prioritisation of UHI programmes for international marketing' developed and agreed with PPF and now 'live' within partnership. This aims to help 'develop an internationally distinctive and competitive curriculum that builds institutional reputation and credibility (internationally and nationally)' and 'develop an international curriculum that is recognisable in terms of quality, relevance and responsiveness'.

Significant events/ awards

- UHI Graduation Ceremony at Hunan Institute of Engineering – 90 BEng students graduated (Clive Mulholland Presiding Officer); 5 distinctions awarded
- Lectures on promoting UHI, and on University, Regional and International collaboration given at Hunan Institute of Engineering (Xiantang); Central South University (Changsha) and Zhengzhou University of Aeronautics (Zhengzhou), all China.
- Scottish Government Arctic Strategy event (Edinburgh) – Chaired by Cabinet Secretary for Culture, Tourism and External Affairs, Fiona Hyslop.
- Invited by Foreign and Commonwealth Office (with Linda Stewart) to participate in UK-Finland-Russia education / research workshop in Helsinki – presentation given on UHI (emergent opportunities now being explored and shared with partnership)
- Appointed Visiting Professor at Hunan Institute of Engineering

Collaboration with other academic partners

- Application to British Council for developmental finding (Vietnam)– OC, IC
- Graduation ceremony at Hunan Institute of Engineering with PC
- Development of pilot micro-campus concept in Hunan, China (see above) – all APs
- University of Arctic and at joint UK-Finland- Russia workshop - SAMS, LCC, PC Centre for Mountain Studies)
- Completion ceremony for HOME project to promote links between UHI and Changsha University of Science and Technology – NHC, PC, EO

Issues or concerns

- Aspirations and expectations around international student recruitment needs to be balanced with, and in proportion to, the level of investment and resources available
- Ability of partnership to work coherently and collegially in a consistent manner

SMT and AP Quarterly Status Reports

Vice-Principal Tertiary

Prepared by Lydia Rohmer

Notable accomplishments

- Working with the regional Tertiary Curriculum Mapping Group, a project proposal and technical proposal for the development of an online tertiary curriculum mapping tool has been completed. The strategic business case has been approved by UHI SMT and Partnership Council. A tender process was agreed and advertised on PCS in early July 2018. Unfortunately, there were no responses to the tender, and a single provider process is currently being worked on to progress the project with a contractor UHI have previously engaged with for similar work.
- Due to compliance with procurement regulations, this process had to be extended in consultation with APUC, who are currently assisting in helping to deliver a final procurement solution.

Branding and Positioning Project - Key stages of the project:

- Establishing the project and co-design team - Status: Completed
- Creating the conversation campaign and creative concepts – Status: Completed
- Initiating the conversation: launch the campaign internally and externally, using on- and off-line avenues for engagement, and capturing, monitoring and sharing feedback. (Status: completed)
- Deepening the conversation with one-to-one consultations with relevant people internally and externally using feedback from the launch phase. (Status: completed)
- Status: Internal interviews and workshops with staff and students (Status: completed)
- 'Top down' approach to identify key market challenges, and using available data to refresh market segmentation (Status: significant progress made working towards completion)

Planning the future and expected outputs:

- Creation of brand strategy plan including positioning, messaging, implications for brand architecture, visual/verbal identity and external communication planning.
- Framework for an integrated marketing communications plan.
- Infrastructure recommendations to implement the integrated marketing plan.
- KPI setting and tools to measure progress.

Status: Due to family bereavement, the interim findings and report from the consultant were delayed by two months, but have now been received. The interim results will be put through further testing with internal stakeholders prior to presentation of the final brand strategy related outputs, now scheduled for January 2019. The project interfaces with other work streams, including the staff working group and HISA. The project also interfaces with international branding and positioning of UHI led by Stuart Gibb.

Widening/Fair Access

Work is being scoped to refresh the university's widening access policy and to ensure all areas of admissions and support across the partnership align their approaches. This will include both qualitative and quantitative analysis and action planning to support the policy refresh.

School-College Liaison Strategic Review

Following a short life working group in August/September, a review has been initiated of UHI's strategic school-liaison work. Expected outputs will include a review of school-college link provision across all local authorities, with a view to develop a branded UHI curriculum that can be offered to every single high school in the Highlands and Islands. In addition, this will incorporate work on widening access from school into FE/HE (see the project in the previous paragraph), and positioning the UHI brand prominently in schools as a first post-school choice within the region (this relates to the Branding project outlined earlier).

Significant events/ awards

- Continued representation of UHI in the Learner Journey Review – Implementation Task Group and National Articulation Forum.

SMT and AP Quarterly Status Reports

Vice-Principal Strategic Harmonisation and Organisational Efficiencies

Prepared by Iain Macmillan

Collaboration with other academic partners

- Following on from the Partnership Council agreement on 27 June 2018 to progress with the proposals for Finance and HR services to examine the opportunities and challenges associated with “integrated” and/or single service models. This step-change transformation programme would take 3-5 years to complete and proposals have been prepared which would have an initial single service model in operation across multiple partners by 1st Aug 2019. The proposals outlined the resources required to deliver the changes.
- The role of HR Practitioners Group has been reviewed with the membership and a report produced for SMT consideration.

Issues or concerns

- The lack of direction in relation to future overall operating models appears to have reduced the enthusiasm for considering alternative service models. While it is hoped that some direction will result from the new Assembly/Programme Board initiative, the current lack of clarity is not helpful. There is a general unwillingness to consider proposals which involve the transfer of staff without a clear overall strategy, and this will be a significant constraint in considering new shared/single service models.
- The Vice-Principal (Strategic Harmonisation and Operational Efficiencies) resigned from the half-time seconded role on 9 November 2018.

SMT and AP Quarterly Status Reports

Argyll College UHI

Prepared by Maureen McKenna, Head of Marketing and Communications

Notable accomplishments

- New Principal and Chief Executive Officer, Martin Jones, took up post on November 5th 2018.
- Following Ministerial approval of the Draft Order “The Assigned Colleges (University of the Highlands and Islands) Order 2018” was laid in parliament on Wednesday 26th September. This will come into force on 5th December and Argyll College will be assigned to University of Highlands and Islands.

Significant events/ awards

- Graduation Ceremony took place on 28th September where over 90 FE and HE students graduated and President of SRU Dee Bradbury received the second Honorary Doctorate awarded by UHI.

Collaboration with other academic partners

- Marketing team collaborated with all UHI APs, CDN and 22 colleges across Scotland in national Marketing campaign in November. www.choosecollege.scot
- We continue to work with SAMS and EO and other local partners on the Oban as a university town project.
- We are undertaking joint staff recruitment with colleagues in West Highland College for a digital marketing officer.

Issues or concerns

- There are ongoing concerns about the suitability of some of our estate to match the needs of our students and to provide an equal experience for them when compared to the rest of our College and UHI more generally.
- Concerns over national bargaining costs generally and in particular the recently announced rise in the Teachers Pension contribution rate of 5.2% from April 2019.

SMT and AP Quarterly Status Reports

Highland Theological College UHI

Prepared by Hector Morrison, Principal

Response received – nothing significant to report during the period.

SMT and AP Quarterly Status Reports

Inverness College UHI

Prepared by Carol Sutherland, Marketing and Communications Manager

Notable accomplishments

- Alex Clouston, a second year apprentice with Pipedream Plumbing in Orkney, is one of eight competitors taking part in the national finals on 15th to 17th November as part of WorldSkills UK Live, the UK's largest skills, apprenticeship and careers event.
- A collaboration with Little Pink Books Publishing, based in New South Wales, will provide HND Visual Communications students the opportunity to design illustrations for a number of manuscripts. The project forms part of the students' coursework, but there is potential for a student to be offered a full picture book illustration contract at the end.
- Dr Carol Langston, Head of Entrepreneurship, visited MIT with HIE to develop news ideas on the role the college and wider university can play in supporting, education and collaborating with businesses.
- Supported Education students have teamed up with Highland-based charity Health and Happiness to create a video which has won a place on the SQA Shine exhibition touring Scotland this month.
- Former Inverness College UHI student Rachael Bews received the Alumnus of the Year award at the graduation ceremony on 4th October. Adam Millington-Bailey, an HNC Social Services student was presented with the Ina Maciver Award at the same ceremony.
- Three members of staff achieved their PhD in the last year: Helen Coker, Alice Mongiello and Carol Langston.
- Inverness College UHI has been accredited by the Scottish Living Wage Foundation as a UK Living Wage employer.

Significant events/ awards

- Applied Music, Film Making, Acting and Performance, Drama and Performance and Creative Writing students from across the partnership came together for a Collaborate and Create showcase hosted at Inverness College UHI on 13th September.
- Tom Edgar, who is undertaking a two-year adult apprenticeship Makar, came third in the Carpenters' Craft Competition, beating off competition from more than 60 trainees from 200 colleges across the UK.
- Annie Bonney and Fraser Szyborski-Welsh, BA (Hons) Drama and Performance students co-presented the Highlands and Islands Tourism Awards (HITA) ceremony. Leanne Munro, a 3rd year BA (Hons) Visual Communication and Design student won a separate competition to create a marketing campaign aimed at attracting the next generation of visitors to the Highlands and Islands.
- CREATE has developed a newly-accredited Masters-level module for SES 'The Enterprising Educator' to complement the existing Enterprising Practitioner's Programme.
- Ryan Assal, a third year BSc (Hons) Forest Management student, won the Tilhill Forestry Award for Best New Planting Application following a report he prepared on woodland creation.
- Julie Jones, a care practice lecturer will deliver free classes for parents and carers to help them support children's learning in the home as part of the Learning Together Programme designed by PEEPLE.
- Inverness College UHI hosted the north's first Scotland's Apprentice Convention held on 8th November. The CPD event for apprentices included workshops and activities mirroring the main event in Edinburgh.
- A delegation from Henan University of Urban Construction visited Inverness in October.
- Guidance staff accepted a highly commended award at the CDN awards for Health Promoting College, recognising the work the team has done to support student and staff mental health wellbeing.

Other activities/ progress of note

- In response to increased demand, we are now delivering a Modern Apprenticeship in Cyber Security. Capgemini has signed up 12 employees, with a further 10 to come on board in January 2019.
- Students will be encouraged to 'Paws against Stress', an initiative to help them relax.
- Amanda Bryan has been appointed head of the Scottish School of Forestry on an interim basis following the departure of Elizabeth Barron-Majerik, who recently took up the post of Lantra Scotland director.
- It is hoped to make an announcement soon on the successful bidder and start date for the Longman demolition. The land will then be marketed for sale as a vacant site.
- A project launched by the Rivers and Lochs Institute, as part of the AMBER project, will help identify unreported river barriers and issues impacting of rivers in Scotland.
- Richard Lochhead visited on 14th September when he met senior managers and students to discuss work to widen access and help those from disadvantaged backgrounds access further or higher education.
- Two new Modern Apprenticeship frameworks have been launched - Childcare and Hospitality Supervision.

SMT and AP Quarterly Status Reports

Lews Castle College UHI

Prepared by Iain Macmillan

Notable accomplishments

- Kate Mawby, Dr Rachel Erskine and Dr Eilidh MacPhail were Highly Commended award at the recent Student Support Initiative Awards for their work on the Mental Health Toolkit.
- Eddie Graham was the winner of the Most Engaging Video Conference Tutor award in the HISA Awards 2018. Three other members of LCC staff also received an award of highly commended.
- Crisdean Saunders was named as LCC's Further Education Student of the Year and was also named as the Further Education Student of the Year across the whole of the UHI.

Significant events/ awards

- Our annual FE Course Completion Celebration took place on Thursday 14 June where staff, friends and families joined students to receive their awards and certificates. Nominated by lecturers, support staff and students across all college departments, the awards celebrated achievement, success and endeavour across the curriculum.
- Students from Glasgow Kelvin and Newbattle Abbey colleges were at LCC for a week in June, on a week-long course to improve their Gaelic skills. Throughout the week, they had language classes in the morning, followed by an excursion each afternoon. On Friday, the group participated in a jewellery workshop run by Christina Mackenzie.
- A technology week took place in August to mark the official opening of our Innovation Centre. A range of events took place throughout the week including STEM activity for children and various taster sessions. Presentations from experts in Aerofoil and aircraft engineering were given on innovation in their specialist fields.
- Our annual HE Graduation and Prizegiving Ceremony took place in August which saw graduates being piped down Francis Street to be seated in Martins Memorial Church. The guest speaker on the day was Don MacKay, Operations Director for EDF. UHI Principal and Vice Chancellor Professor Clive Mulholland formally opened the graduation and discussed the advancements that had been made by the university over the past year.
- This year's winner of the Natural Retreats Jewellery Award was Claire Redman, a student on the Lews Castle College UHI NC in Jewellery course. This is the second year of the award and Claire's exceptional piece is now on sale in the gift shop at Lews Castle.

SMT and AP Quarterly Status Reports

Moray College UHI

Prepared by David Patterson, Principal

Notable accomplishments

- Integrative Health student, Teresa Elliot, won Scotland Student of the Year 2018 at CDN awards
- College's Moray Foodbank Project which previously won the UHI Student Support Initiative Award was also a short-listed finalist at 2018 CDN awards

Significant events/ awards

- Moray College UHI 2018 Graduation: definitely the 'feel-good' event in Moray this year!
- College Construction students awards evening: 40 prizes sponsored by 25 industry employers
- UCAS Fayre: hosted the UCAS event for all school and college students in Moray interested in higher education, apprenticeships, volunteer and gap year programmes, or career opportunities
- Dr Gray's NHS Airways Day: hosted the only Pre-Hospital Advanced Airway Workshop in the North of Scotland geared towards Remote and Rural Medicine Fellows, Care practitioners, and GPs
- CareerReady Launch: the new 2018 cohort of over 50 school interns met their mentors for the first time at this induction event
- CoHI: hosted the Autumn Convention of the Highlands and Islands for Scottish Government and member organisations, supporting alignment and sustainable economic growth
- 'Future' Sector Days: a series of DYW 'Moray Skills Pathway' events run to allow Moray school pupils to explore learning and career opportunities across local priority occupational sectors
- Moray Growth Deal: gets an important mention from the Chancellor on Budget Day
- Cooper Park (Elgin) modernisation: Skills for Choice L4 and Sport and Fitness L6 students work with local employers to improve the Cricket Pavilion, Boat Hut, Pond and Crazy Golf facilities

Collaboration with other academic partners

- Continue to work with School of Health and Inverness College on Optometry degree development
- Continue to work with Inverness College on Moray Growth Deal plans for Entrepreneurship and micro/small business scale-ups (including joint visit to MIT in Boston with Scottish Universities)
- Early discussions with Perth College on future plans to support Boeing investment at RAF Lossiemouth through the Moray Growth Deal
- Developing Graduate Apprenticeship BA Early Learning and Childcare with Inverness, North Highland, Perth and Argyll Colleges.
- Working with Inverness and West Highland Colleges on self-evaluation and quality enhancement work piloted through the College Improvement Project

SMT and AP Quarterly Status Reports

North Highland College UHI

Prepared by Donald MacBeath, Principal

Notable accomplishments

- In November, the successful revalidation of the UHI Professional Golf degree. No conditions applied and five commendations given. These included the Programme Team's professionalism and the strength of the partnership-working with the Professional Golf Association (PGA), the quality of student placements (particularly the availability of overseas placements), North Highland College UHI's investment in specialised resources and the forward thinking of the NHC SMT to put measures in place to enable enhancement and further development.
- Also in November, a networked Programme Team led by staff at North Highland College UHI successfully secured the validation of a new UHI MSc degree in Engineering Systems.
- North Highland College, along with Norscot Joinery Ltd and Lean Green Consulting, have recently started work on a SFC Futurequipped funded Project for Smart Home App Development. The project focus is on rural homes, with a particular emphasis on maximising accessibility through digital supported single-storey living. The relative remoteness of rural living and distances from care centres provide obvious challenges for many residents.

Significant events/ awards

- In September, the annual North Highland College UHI graduation event was held in Wick St Fergus church.
- Local employers were welcomed at North Highland College UHI in Thurso to share industry knowledge and career guidance to students as part of the college's first **Employer Industry Day**. Organised by the college's enterprise team, the event was attended by representatives from JGC Engineering, NHS, Dounreay, Beatrice Offshore Windfarm Ltd, Envision, Civil Nuclear Constabulary, Highlife Highland, Scottish Ambulance Service, The Caithness Collection, Scottish Ambulance Service and SSE
- Richie Bryan Gavryluk, 25, a chef de partie, at the Boath House in Nairn was announced **the 2018 Young Highland Chef** winner at a celebration dinner the NHC Burghfield campus in Dornoch on Mon 29th Oct.
- Four engineering degree students Kevin Richard, Barry Gannon, Mark Graham and Alexander Mackay at North Highland College UHI in Thurso, received awards from Industry bodies recognising their outstanding achievements throughout their studies. All four students, study at the North Highland College's Engineering Technology & Energy Centre (ETEC).

Collaboration with other academic partners

In this report we concentrate on the international activities of our ERI colleagues;

- In September staff attended the REGINA Project Flagship Conference in Rovaniemi, Finland.
- In October staff attended the Arctic Circle Assembly in Reykjavik, Iceland as part of a piece of work mapping Scottish – Arctic research links for the Scottish Government.
- The final conference for the Circular Ocean project was held in Cork, Ireland presenting ERI's findings on the effects of marine plastics on seabirds throughout northern Europe.
- Also in October was a Phos4You project event in Rotterdam, Netherlands where ERI is working on small scale solutions for phosphorus recover in remote, rural, and island areas.
- An ERI PhD student recently travelled to the Naval Postgraduate School in Monterey California, USA where he is working on non-conventional analysis using High Frequency Radar.
- Staff attended the International Peatland Society's Annual Symposium in Rotterdam, Netherlands, in September 2018.
- An ERI staff member recently travelled to Alesund, Norway to kick off a new project, Blue Circular Economy looking at tackling marine plastic waste, particularly fishing gear, in the oceans.

SMT and AP Quarterly Status Reports

Orkney College UHI

Prepared by Bill Ross, Principal

Notable accomplishments

- Very successful re-validation of Archaeology PhD programme in November.
- Working with DYW Orkney and NHS the hospital hosted an insight event aimed at giving young people interested in health care profession careers an opportunity to find out more. Fifty one pupils from S4-S6 at Kirkwall Grammar School, Stromness Academy and Sandy Junior High School attended.

Significant events/ awards

- Annual Graduation and Awards Ceremony took place in St Magnus Cathedral Kirkwall on Friday 28 September and was attended by Her Royal Highness, The Princess Royal.
- In October 2018 a new Assistant Principal was appointed replacing long service colleague Issy Grieve who retired earlier in the year. Tom formally worked for the University of the West of Scotland.
- Professor Eddie Abbott-Halpin, from Leeds Beckett University, will take over as principal of Orkney College UHI when Dr Bill Ross retires from the post after 17 years in December.

SMT and AP Quarterly Status Reports

Perth College UHI

Prepared by Margaret Cook, Principal

Notable accomplishments

- Approval of PG Cert in Resilience Leadership and Management programme ready for delivery from January 2019. This programme is the result of collaboration with Scottish Government Resilience Development service and includes a Cyber risk module.

Significant events/ awards

- Perth College UHI Caretaker of the Month and Cleaner of the Month Awards given to staff for October 2018.
- Received funding for two electric vehicles from Perth & Kinross Council Community Planning Partnership.
- The MBA team hosted a Chinese delegation from Henan University of Construction for a Learning and Teaching development day and feedback was extremely positive.
- The Business and accounting team hosted a successful Employer Insight event for Accounting students where 30 students were able to engage with 6 key organisations for the local area.

Collaboration with other academic partners

- Attended Environmental Association of Universities and Colleges (EAUC) Climate Change Reporting Peer Group Review meeting at Glasgow Kelvin College on 1st November.
- Initial work is being carried out by the Accounting team on a potential Financial Services product in collaboration with Inverness.
- The Re-approval of the Accounting and Finance degree is imminent and this will see the addition of a Management development module thus broadening the programme in line with industry requirements.

Issues or concerns

- BMC are waiting for more information on the roll out of Brightspace and how this will be implemented. It is noted that discussions are ongoing with UHI and PC but until the definitive implementation plan is known this is a cause for concern across the team.

SMT and AP Quarterly Status Reports

[Sabhal Mor Ostaig UHI](#)

No report provided.

SMT and AP Quarterly Status Reports

Scottish Association for Marine Science UHI

Prepared by Nick Owens

Notable accomplishments

- We successfully launched our new research strategy, which identified three 'areas' through which we organise our science structure.
- The purpose of a Research Area is to create a community of staff with common interests and to enable greater connectivity and collaboration within SAMS UHI. They will encourage active sharing of information, and the pursuit of new opportunities. The areas and leaders/deputy leaders are as follows:
 - Blue Economy (Adam Hughes / Sally Rouse)
 - Dynamic Coasts (Clive Fox / Suzi Billing)
 - Ocean Systems (Finlo Cottier / Raeanne Miller)
- The Erasmus Mundus Joint Masters Degree ACES (AquaCulture, Environment and Society) gained formal re-approval for a further five years. Radboud University in the Netherlands has come on as a fourth partner to join UHI and the universities of Nantes and Crete. The course attracts aquaculture researchers from across the globe.
- SAMS UHI achieved a 100% satisfaction result in The National Student Survey results.
- Our current MSc by research in Marine Science research was revalidated as an MRes in Algal Biotechnology, Biology and Ecology.
- Four SAMS UHI staff were named on the United Nations Global Reporting and Assessment of the State of the Marine Environment Panel of Experts (out of 32 UK experts) – Bhavani Narayanaswamy, Steven Benjamins, Tom Adams and Adam Hughes.
- SAMS UHI entered a team into the Oban Raft Race for the first time. The team's plastic pollution inspired raft didn't win but won the 'best-dressed raft' prize and raised awareness of plastic pollution locally.

Significant events/ awards

September 6 - A SAMS UHI student became the first person to be awarded a University of the Highlands and Islands' Master of Science by Research Degree.

Eleanor Wood, who now works as a research technician at Swansea University, received her award at the SAMS UHI graduation on September 6 as one of 46 graduates and prizewinners. The University of the Highlands and Islands obtained Research Degree Awarding Powers last year.

The successful graduation took place in Oban's Argyllshire Gathering Halls. Keynote speaker was Prof Stuart Monro, Scientific Director of the Scottish Consortium for Rural Research.

September 18 – Professor Elizabeth Cottier-Cook, a marine biologist at the SAMS UHI, discussed 'alien invasions' during her inaugural professorial lecture.

Professor Cottier-Cook is an international authority on the impacts non-native species have on the marine environment who has collaborated with researchers across the globe.

Her lecture was entitled 'The Day of the Triffids - Alien invasions and the future security of our oceans'.

September 27 – SAMS staff celebrated the 10th birthday of 'Talisker', now one of the oldest robotic underwater gliders in Europe.

Gliders are deployed for months at a time to take measurements such as oxygen, salinity and temperature in the deep ocean and have been gathering crucial data for oceanographers. Having already travelled 11,500 kilometres, spent 622 days at sea and recorded 6,484 oceanographic profiles, Talisker has been as far as Iceland on her missions, often braving force 10 storms and high seas.

To mark the 10-year milestone, SAMS scientists made a birthday cake and invited SAMS colleagues to come and learn more about the work of gliders and other autonomous vehicles.

SMT and AP Quarterly Status Reports

Shetland College UHI/ NAFC Marine Centre UHI

Prepared by Jacqui Clark, Joint Operations Manager, Shetland College UHI

Notable accomplishments

- A new School/College programme for 2019/20 has been developed by NAFC in order to deliver an alternative to Foundation Apprenticeship in Engineering. NC Engineering Systems will substantially differ from SfW Engineering and be targeted to S5 and S6 pupils. There is an identified positive contribution to local, regional and national DYW targets and addresses STEM priority initiatives. NAFC are also developing a new course for approval. The CPD in Aquaculture Management (SCQF 8) is recommended to the faculty of science, health and engineering for approval. The award will be available to students outside the UK on a distance-delivery basis.

Significant events/ awards

- Rhea Kay from Shetland College UHI was named as the University's Higher Education Student of the Year. Rhea Kay (23) from Whalsay, recently completed the university's BA (Hons) in Contemporary Textiles. Rhea features in a short film about the degree programme.
- Meanwhile, students from Shetland and beyond attended Higher Education (HE) graduation and Further Education (FE) award ceremonies for Shetland College UHI on Friday 7th September. NAFC Marine Centre's Annual Awards Ceremony meanwhile was held on Friday 12th October 2018.

Collaboration with other academic partners

- Shetland College launched [Project SEARCH](#) in September. This is a one-year programme supporting young people with additional needs to gain skills and experience aimed at helping them move into sustainable employment. The programme is delivered in partnership with Shetland Islands Council.

Issues or concerns

- The final business case will be presented during early December to Governing bodies for a decision on whether to merge Shetland College UHI with NAFC (Shetland Fisheries Centre Trust). An information hub with information for staff, students and stakeholders was launched in early September and has provided information along with the opportunity to provide feedback and comments. [Find out more information on the website.](#)

SMT and AP Quarterly Status Reports

West Highland College UHI

Prepared by Lydia Rohmer, Principal

Notable accomplishments

Centre for Science, Technology, Health and Engineering, Fort William

- A full business case was submitted to UHI for endorsement in early October 2018, and subsequently forwarded to Scottish Funding Council for a capital decision point
- SFC have approved the full business case in principle, subject to a funding route being found
- Discussions have taken place between the college, UHI, HIE and SFC on how best to develop routes to funding.
- Strategic Funding Application for Chair in Tourism (with specialism in Adventure Tourism)
- The application has been approved by UHI in September 2018, and work has taken place to develop role particulars and recruitment approach. This has been a collaborative effort between the college, Faculty and VP Research. The post will now be recruited for in early December 2018.

Strategic Investment to build UHI Capacity for Engineering and Digital

- The college applied to UHI for strategic investment to enhance local capacity for Engineering and Computing, to support curriculum development and staffing capacity in response to local employer demand and in transition to the expanded curriculum available through the new Centre for Science and Technology in 2019/20. The application was approved by UHI in September 2018, and a new Project Director for STEM has been recruited. A recruitment process for Digital is currently under way.

Graduation 2018

- A highly successful graduation ceremony took place in Fort William on 5 October 2018. Around 250 eligible full-time further and higher education students graduated, with over 100 in attendance, celebrating with their families, friends and staff from the college and the university. Prof Clive Mulholland presided, with inspiring guest speaker Fiona Quinn, the world's first women to walk, cycle and stand-up paddleboard from Land's End to John o'Groats. The ceremony also included two HISA sporting blue awards to students, and most inspiring lecturer award.

Significant events/ awards

- The college's employability student Garry Whyte has won the Scottish Training Federation Awards for Employability Fund Achiever of the year. The winner was announced on the afternoon of the 25th September as part of the STF Conference at Crieff Hydro.
- Skye based student Sarah Matheson's Higher Photography portfolio was chosen from 2300 Higher Photography entries in Scotland as one of 26 for the 'Higher Vision' exhibition in the Scottish Parliament in November 2018. Sarah is a continuing student on the college's new HNC Photography this year.
- The college recently hosted visits from Kate Forbes MSP and Minister for Public Finance and Digital Economy; and from Richard Lochhead MSP, Minister for Further and Higher Education and Science. Both were keenly interested in the college's development, in particular its advanced plans for a STEM centre in Fort William and its economic benefits. They also met with a range of staff and students to see how the college uses networked learning and teaching to maximise access in remote rural areas for all learners.

Committee	Further Education Regional Board
Subject	2017/18 Regional Outcome Agreement Self-Evaluation
Action requested	<input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Brief summary of the paper	This paper provides a draft copy of the Regional Outcome Agreement Self-Evaluation for 2017/18. The evaluation is tertiary in nature, encompassing both the further and higher aspects of the University's work. The RSB is required to provide this report as an accompaniment to the Evaluative Reports and Enhancement Plans submitted by academic partners to the Scottish Funding Council.
Resource implications [if yes, please provide detail]	Yes The RSB is required to show reasonable progress against the Regional Outcome Agreement targets and measures in order to continue to secure funding.
Risk implications [if yes, please provide detail]	Yes Risk of insufficient progress being evidenced.
Date paper prepared	06/11/2018
Date of committee meeting	21/11/2018
Author	Margaret Antonson, Head of Marketing and Planning, Dr Diane Rawlinson, Vice-Principal Further Education.
Link with strategy Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • other activity [e.g. new opportunity] – please provide further information. 	Click here to enter text. Click here to enter text. Click here to enter text. Strategic aim 5 - governance and management Click here to enter text.
Equality and diversity	No
Status	Non-confidential

FERB-18/19- 49

Consultation How has consultation with partners been carried out? [summary of response should be included in the paper]	No The paper presents a factual statement of progress against measures. Copies have been made available to academic partner principals.
Freedom of Information Can this paper be included in 'open' business?	Yes

* If a paper should not be included within 'open' business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click here to enter text.	<input type="checkbox"/>

For how long must the paper be withheld? [Click here to enter text.](#)

[express either as the time which needs to pass or a condition which needs to be met]

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>

and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Highlands and Islands Regional Outcome Agreement Self-Evaluation for 2017-18

Following the guidance published by SFC, this document provides details of progress against the 2018-21 ROA priorities. These were:

- Access to Higher Education (including CoWA recommendations)
- High quality, efficient and effective Learning
- Right learning, right place
- A developed workforce
- Internationally competitive research base (including impact of REG funding)
- Greater innovation in the economy (including delivery against the 2017-18 UIF plan)
- Sustainable institutions

Our college partners are due to submit their evaluative reports and enhancement plans to SFC by 31 October. This self-evaluation includes details of the regional approach to the priority areas in the college ROA guidance. The Audit Scotland report 'Scotland's Colleges 2018', has stated that the University of the Highlands and Islands, one of three Regional Strategic Bodies responsible for further education in multi-college regions, was making good progress in carrying out its role and delivering the anticipated benefits of regionalisation.

Access to Higher Education

1. Response to CoWA recommendations: *admissions themes* of access thresholds for those from the most deprived backgrounds; simpler and more consistent contextualised admissions information across the sector and commitment to care-experienced applicants.

The University of the Highlands and Islands is in the unique position of being able to offer a wide range of entry points into the learner journey making us a highly accessible institution to all groups of prospective students irrespective of background or life circumstances. When considering applications we look beyond grades achieved to find the right option for each individual.

Our published entry requirements are set at the minimum required to successfully complete the programme and do not present an unnecessarily high (selective) barrier for applicants. Therefore publishing 'access thresholds' or 'adjusted grades' for widening access students is not appropriate. We have contributed to a Universities Scotland group developing clear and consistent language on contextualised admissions and adjusted grades for specific groups of applicants. It is important that we are able to make our distinctive position clear while still participating in this move to more consistent language. Along with three other universities, we produced a tailored version of the suggested generic text which was tested at a student focus group. This will be going to the US principal's group for approval shortly.

As stated in our 2018-19 regional outcome agreement, care-experience is already one of our contextualised indicators, however, where an applicant discloses this, and they meet the minimum requirements of the programme, we commit to offering them a place.

The university is aware of the work being done by the access data group, reporting to the Scottish Government's access delivery group, looking at additional measures for socio-

economic disadvantage with the potential to complement SIMD20. We wait for further output and comment on any proposed changes and how this might impact on our region. *Articulation theme:* we are currently waiting for feedback from the national articulation database 2 work being done by SFC, in particular on ensuring that our data now covers all HN to degree progression, internally through our partnership as well as articulation from colleges.

Our primary external articulation agreement continues to be with North East Scotland College and SWAP East with additional progression pathways being developed. Inverness College UHI and North Highland College UHI have introduced the SWAP Access to Nursing with a view to progression to the university's nursing degrees.

2. 15-24 Learner Journey Review

We continue to be committed to developing an online resource to assist prospective students navigate through our tertiary provision. The specification for a data driven tool to produce online interactive subject maps has been completed and the procurement process is on-going. This project contributes to the learner journey review programme's vision to ensure *learners are on the right route to the right job, through the right course via the right information.*

Another strand of the review is improved access to careers guidance and preparing students for successful long-term careers. The university's careers and employability centre has been reviewing how they engage with students and promote contemporary messages that challenge them to take action with their career development. Key messages have been developed around careers development as an opportunity to look optimistically and creatively at the future and not as a problem to be solved, focusing on developing resilience and importance of building networks.

The centre is working alongside the university's Learning and Teaching Academy to integrate graduate attributes into the lives of students and staff. We are moving towards a model of greater delivery through the curriculum – recently delivering a career programme to computing and accounting students including a self-analysis focusing on skills awareness.

3. Progress on specific at risk groups

Care-experienced learners:

An online staff development module on corporate parenting is now available and has been rolled out across the university partnership. Our plans and commitments to care-experienced learners have been published on a [dedicated page](#) on the university website. At the recent Student Support Development Day, held in June 2018, Who Cares? Scotland attended and provided an overview of the work they are doing. Two university care experienced students joined this session and provided valuable insight into their experiences and will feed into discussion for improvements.

Student carers

Our plans and commitments to student carers have been published on a [dedicated page](#) on the university website.

In recent years, the university partnership has achieved success in creating a supportive environment within which students are encouraged to declare being either care experienced

or being carers. Inverness College UHI for instance has worked with national agencies such as Children in Scotland, making use of staff training packages and with local partners through the Champions Board to assist transition arrangements for care-experienced students. A school link and transitions coordinator provides a single point of contact for external agencies and care-experienced students themselves, supporting the development of positive relationships and smooth transitions. Care-experienced students from across the partnership have created powerful podcasts which are being used to deepen staff understanding of the issues these student face.

British sign language users

The university engaged with the BSL community through at a joint event with Highland partners, an online survey and focus groups. The aim was to find out what is important to BSL users and their families, the barriers they face and how public bodies can promote BSL better. The feedback included:

- It is important to BSL users and their families that they are able to access higher education, that services are fully accessible and BSL users are employed in education settings
- The lack of BSL/English interpreters is a barrier to access
- BSL could be promoted better through:
 - Deaf user-friendly e-learning and use of BSL/English interpreters
 - Deaf awareness training for support and academic staff

The university's BSL plan is now complete and approved. It is currently with the British Deaf Association for translation into BSL and will then be added to the [BSL page](#) on the university's website.

Health and wellbeing – mental health

The university completed an institutional review on the theme of support for student mental health, which resulted in a number of recommendations to be implemented over the next year. Specific developments include:

The establishment of the Equally Safe Strategic Group focusing on gender-based violence. Membership includes both support and academic staff, the Highlands and Islands Student Association (HISA), students and an external with specialist knowledge. The group is utilising the [Equally Safe in Higher Education Toolkit](#). An action plan has been agreed focusing on creating policy and guidance documents for staff and students, reviewing training requirements, raising awareness of gender-based violence and investigating an online recording tool for disclosures.

The university and HISA have worked together to create a student mental health agreement, this is part of an initiative led by Think Positive and NUS Scotland. We also have a corporate partnership with High Life Highland, which includes the promotion of leisure and fitness opportunities to students, with discounted rates, and the promotion of reading through libraries for pleasure and positive mental health.

Gender balance/gender action plan

The UHI STEM team has intensified and broadened their activities in schools focusing on inspiring potential STEM students at an early stage and seeking to break down gender

barriers by, for example, planning female only computer programming and male only care/nursing events.

The team has interacted with over 130 schools across the region in the last two years and approximately 6500 pupils. This includes using industry representatives and university researchers to breakdown career gender stereotypes. Various initiatives have also taken place across the partnership focusing on gender balance in care:

- Perth College UHI Men in Care course: this innovative project in partnership with Perth and Kinross Council won the 2018 Scottish Public Services Award- Championing Gender Equality category. The project was aimed at addressing inequality within the early years and childcare workforce. It involves a free bespoke night class specifically for men giving an introduction to working with children in a professional capacity and the opportunity to experience early years and childcare theory and practice, with support from Perth and Kinross Council, while gaining a qualification.
- Orkney College UHI: Men into care scoping study: Orkney College was asked to participate in a national project to carry out a scoping study to assess female/male ratios in a range of caring occupations and to identify areas of good practice in recruiting young males.
- Beauty therapy: a Perth College UHI member of staff has undertaken initial research looking at gender-balance issues in this sector

The university and our academic partner are working through the actions identified in the first gender action plans.

4. Progress on funded targets and national measures

Further Education

In 2017-18 further education student activity delivered exceeded the core and ESIF funded activity allocated, following a well-established trend, illustrated in the table below:

	Core target	ESIF target	Actual	Target vs actual	% variance
2013-14	154,936		157,110	2,174	1.4
2014-15	155,736		159,491,	3,755	2.4
2015-16	110,968	3,490	116,644	2,186	1.9
2016-17	110,968	4,400	116,778	1,410	1.2
2017-18	110,968	2,200	114,969	1,801	1.6

The region has however reported changes to the nature of its further education provision with a slight fall in the proportion of total activity delivered to 16-19 year olds and the 20-24 age group:

Proportion of credits delivered	16-19 year olds	20-25 year olds
2016-17	51.2%	14.6%
2017-18	50.0%	13.9%

The proportion of activity to all age groups also varies considerably across partners reflecting local demographic change and the differing role colleges play in the communities of such a geographically and economically diverse region. The three largest colleges, located in urban contexts, have a far higher proportion of activity delivered to students aged 16-19 years. Moray College UHI, for example, delivers 58% of its credits to students in this age band. In

the smaller and more remote colleges this proportion can be much lower. At Lews Castle College UHI for instance, 29% of credits are delivered to 16-19 year old students. These geographical variances makes setting regional targets especially challenging.

The region is still exceeding its target for the proportion of credits delivered to *full-time students aged 16-19*, delivering 58% of full-time activity to this group, rising to 73% for students under the age of 25. This highlights the region's continued focus on provision of opportunities for young people. As with the total activity to this age group, there has been a slight reduction year-on-year reflecting both the changing demographic profile and also the regional response to the on-going need for provision of in-work training and up-skilling of the workforce through part-time activity. The demand within the region for this type of part-time activity outstrips the slight reduction in demand for full-time provision and therefore impacts the scope and opportunity to develop the offering.

The strength of school college partnerships across the region continues to be evidenced by the high proportion of activity delivered to young people in S3 and vocational qualifications to senior phase students

<i>Proportion of credits delivered</i>	<i>S3</i>	<i>Senior phase</i>
2016-17 national benchmark	4.8%	0.74%
2017-18	13.2% (increase on last year)	4% (increase on last year)

The high levels of school/college partnership activity in the region reflects the vital role played by the college sector in some of the region's more rural and remote areas in supporting schools to provide appropriate breadth of provision in the upper secondary years. West Highland College UHI for instance has developed a portfolio of courses for school pupils that can be accessed through a blended, networked delivery using online materials and video-conferencing. In this way, the college has been able to offer Foundation Apprenticeships, National 5 and Higher programmes to some of the regions more remote schools. Significant numbers of school pupils engage with the college through this means, eg over 80 school pupils enrolled with West Highland College UHI to study Psychology remotely last year. The college has also provided computing courses to S2 and S3 pupils to build capacity in this subject to enable progression to senior phase computing courses.

The proportion of credits delivered to care experienced young people in the region overall in 2017-18 was 3.1%, exceeding the region's target of 2.2% and considerably higher than the last published national benchmark of 1% (College Region Outcome Agreements Summary of Progress and Ambitions Scottish Funding Council 2017). The challenge remains to address the attainment gap for care experienced students. All partners are reporting high levels of withdrawal for care experienced students, impacting on success rates.

Higher education

The university achieved the SFC non-controlled funded target of 5893 FTEs for 2017-18. Total recruitment of undergraduate and postgraduate taught students eligible for funding, as submitted to SFC, was 6400. 6224 undergraduate, 6% above target as fees only. We had around 90 ESIF funded DSW work stream students.

Early indications suggest that we will recruit to a similar level in 2018-19. Full-time enrolment is down slightly however part-time seems to have continued the recent growth trend.

FERB-18/19- 49

Controlled numbers: we recruited 122 in the first cohort of UG nursing students compared to a target of 130. We are on target for the 145 intake in 2018-19. PGDE programmes recruited 104 FTEs compared to a target of 109, currently recruitment is doing well against target in 2018-19.

National measures: (provisional, prior to final HESA Student Records). Proportion of Scottish-domiciled UG entrants relevant groups in:

	2017-18	ROA target	2016-17	2015-16 baseline
SDUE TOTAL	3645	3650	3562	3421
SIMD20	285 (7.9%)	321 (8.8%)	310 (8.7%)	285 (8.4%)
SIMD20 FT first degree	57 (8.1%)	62 (8.8%)	52 (8.7%)	
SIMD40	874 (24.2%)	985 (27%)	940 (26.5%)	951 (28%)
From SHEP schools	166 (4.6%)	160 (4.4%)	150 (4.2%)	160 (4.7%)
Protected characteristics:				
Male	1450 (39.8%)	1533 (42%)	1563 (43.9%)	1513 (44.2%)
Female	2192 (60.1%)	2117 (58%)	1994 (56%)	1907 (55.7%)
Under 21	1576 (43.2%)	1679 (46%)	1642 (46.1%)	1659 (48.5%)
Over 21	2069 (56.8%)	1971 (54%)	1920 (53.9%)	1762 (51.5%)
White	3512 (96.4%)	3522 (96.5%)	3419 (96%)	3308 (96.7%)
BME	102 (2.8%)	110 (3%)	116 (3.3%)	97 (2.8%)
Ethnicity not known	31 (0.9%)	19 (0.5%)	27 (0.8%)	16 (0.5%)
No known disability	3070 (84.2%)	3066 (84%)	3016 (84.7%)	2834 (82.8%)
Has a disability	575 (15.8%)	584 (16%)	546 (15.3%)	587 (17.2%)
Care leaver	52 (1.4%)	55 (1.5%)	51 (1.4%)	33 (1%)
On STEM courses	977 (26.8%)	1113 (30.5%)	1072 (30.1%)	978 (28.6%)

The estimates for 2017-18 across the national measures suggest many are below the target set, in some cases this is related to shifts in the curriculum and demographic trends on the region. For example, the introduction of undergraduate nursing and a period of review of current STEM provision. While a considerable amount of work is being done to address the gender stereotypes in these subjects, this is likely to be the reason for the greater than expected drop in the proportion of male entrants and the increase in females. The change in age profile compared to target has also been caused in part by an older than expected entrant age to nursing.

Entrants from SIMD20 areas continues to fluctuate year-on-year, this is a reflection of the frequently stated limitation of the index in our region. Only 5% of our region's population live in one of these areas. On further analysis, the proportion of full-time entrants from SIMD20 was 8.7% compared to 8.6% in 2016-17, with 25.4% compared to 25.6% for SIMD40. The proportion from both these areas decreased for part-time entrants. For reference, 21% of the regional population come from an SIMD40 area. As Scottish universities continue to target this same finite market, it will become more important to see an overall university participation rate and trends from SIMD20 students.

High Quality Learning and Teaching

1. Learning and teaching strategy and enhancement

Working in partnership with colleagues across the university, the Learning and Teaching Academy (LTA) is continuing to progress the implementation of the [Learning and Teaching Enhancement Strategy 2017-2021](#). The first year objectives of embedding the strategy have

been completed, including integrating the Learning and Teaching Enhancement Values into the ALPINE recognition process for colleagues seeking Fellowship of the UK HEA and aligning the values within the range of webinars, workshops and symposia being offered through the LTA.

Dissemination activities have been underway across the partnership. A key purpose of the strategy is to develop, share and recognise good practice in learning and teaching across the university, and several of our academic partners have already either adopted or are adapting and contextualising the LTES to their own learning and teaching related policies and standards.

During the last academic year the Scottish sector entered a new three-year QAA Scotland national Enhancement Theme with the focus being 'Evidence for Enhancement: Improving the Student Experience'. The university's work for the new theme is being co-ordinated from within the LTA, working in partnership with the HISA VP Higher Education who is the student representative lead for the enhancement theme. The internal steering group has agreed three areas of project activity:

- Linking evidence to learning. Focusing on improving staff capacity to analyse, contextualise, and act on student feedback data.
- Linking student representation to enhancement. Focusing on increasing awareness of and engagement with the student rep system as a platform to drive enhancement.
- Linking feedback to progression. Supporting student progression through assessment and feedback that utilises 'feedback as dialogue'.

Year one of our Enhancement Theme work was focused on project scoping and benchmarking research and evaluation. For year two, we are identifying programme teams to participate in 'pilot projects' in the three strands shown above. The pilots will inform various outputs and resources including case studies and exemplars, 'how to' guidelines, and templates and toolkits, for both internal use and wider dissemination through the QAA Scotland. The university is also participating in two 'cluster group' cross-institutional projects for the Enhancement Theme. The first, led by QMU, is focused on ways to foster Sense of Belonging for students on online programmes. The second, led by Edinburgh Napier and GCU, is focused on supporting programme leaders in the use of evidence for enhancement.

2. Gaelic plan

Following extensive consultation, the university's draft 2018-22 Gaelic Language Plan is now with Bòrd na Gàidhlig for approval. We expect feedback after their board meeting in December, with a view to publishing early next year.

3. Student engagement /representation

The Highlands and Islands Students' Association (HISA) made significant progress during 2017-18. Clubs, societies and activities was a key area of growth with a rapid expansion of opportunities and number of students taking part. HISA attained national recognition for its engagement with students through Adventure Clubs, winning NUS Scotland's Student Opportunities Award. The sporting blues awards were also introduced to recognise students excelling in their chosen sports

HISA had a record breaking year with its student elections. Every post was contested, with 81 candidates putting themselves forward for the 19 posts. A record 2,188 students voted, a 244% increase on the previous record of 636 in 2016-17.

HISA and the university have a strong partnership, working together on key areas of work. This includes the popular 'HISA Awards', an opportunity for students to thank members of staff who have made a significant difference to their experience. HISA also worked together on the Student Partnership Agreement, which focused on learning resources, student mental health and sustainability, themes voted on by the student body. HISA and local officers are making significant progress on local student partnership agreements with many now signed by academic partner principals. HISA represents all higher and further education students across the university partnership. Representing at a national level through work with external organisations such as NUS Scotland NUS UK and SPARQS. There is HISA representation on all relevant university committees.

Progress on national measures.

Student satisfaction - Further education

The region has a high level of engagement with the national further education student satisfaction survey with 63% of students participating. Of these participants 91.5% reported being satisfied with their college experience, a two percentage point improvement on the previous year. Of those responding 97% agree that staff encourage students to take responsibility for their own learning and over 90% report that their time at college has helped them to develop knowledge and skills for the workplace. Partners are working collaboratively to ensure a consistently high student response rate across the region and to address any disparity between partners.

Student satisfaction - Higher education

	<i>2017-18</i>	<i>2016-17</i>
National student survey	<i>85% (benchmark 83%) 83% response rate (73% across Scotland)</i>	<i>79% (benchmark 83%) Note: 80% response rate compared to 74% across Scotland</i>
Postgraduate taught experience survey (PTES)	<i>Biennial participation</i>	<i>79% (Scottish figure 78%)</i>
Postgraduate research experience survey (PRES)	<i>Biennial participation</i>	<i>87% (Scottish figure 82%) Note: response rate 64% compared to 46% nationally)</i>

The strong performance in the latest NSS survey was welcomed across the university and is a result of considerable effort over the last few years to raise awareness of the strategic importance of the survey, embed a culture of enhancement and, most importantly, focus on improving student experience. Actions planning has been successful in improving satisfaction.

The overall satisfaction score of 85%, a 6% improvement, brings us up to fifth in the sector in Scotland and above any of the post-92 institutions. We have also achieved our strategic plan critical performance indicator of 2% above the benchmark.

Student attainment/retention: Further education:

The region continues to report high levels of student attainment with 70% of full-time students and 82% of part-time students achieving their qualification, this regional position however masks disparity in attainment levels between partners and between subjects. The RSB has facilitated closer working between partners through development of a regional strategy to enhance student attainment. The regional strategy will, in subsequent years, support transfer of practice between partners and subject teams enabling everyone to draw on partnership-wide skills and experience for the benefit of all.

Example of improvement: In 2017-18, Moray College UHI improved its full-time student success rates by nine percentage points. This positive outcome has been achieved through a comprehensive curriculum review, intervention informed by systematic attendance monitoring and the development of wrap around student support systems.

The success rate for full-time students in the senior phase in 2017-18 was 70%, matching the overall full-time student success rate. The equivalent rate for part-time students in the senior phase was 75%, which compares favourably with the latest published national benchmark.

The region continues to exhibit strength in recruiting students from care experienced backgrounds, from areas of multiple deprivation and with disabilities but recognises the on-going challenge of addressing the attainment gap for these and other disadvantaged student groups. It is anticipated that in subsequent years, the regional will drive improvement in student success, drawing on expertise from across the region to address identified challenges.

In the meantime, locally developed initiatives are already having impact with full-time students from SIMD10 data zones in the region recording success rates in full-time programmes above target (66% compared to a target of 65%). This success rate however is still four percentage points below full-time further education students overall, an attainment gap the region to seeking to remove.

The success rates for full-time students declaring a disability in the region is 1 percentage point below the overall full-time student rate. Success rates for part-time students declaring a disability in 2017-18 were eight percentage points lower than the total part-time cohort, with a high degree of variation between partners. The region will seek to address this variation, and the attainment gap exhibited, through enhanced collaborative work in future years.

A cross-partnership Care-experienced and Student Carers Regional Strategy Group has been set up to addresses the challenge posed by the attainment gap that exists between mainstream full-time students and full-time students with care-experience or a caring responsibility.

Student attainment/retention Higher education:

The Higher Education Statistics Agency publish PIs on non-continuation. Results published in 2018 for full-time entrants showed an increase in non-continuation for degree students compared to the previous year and just above one standard deviation from the benchmark. However this still represents significant improvement compared to historic figures and we saw an improvement in continuation for the OUG entrants. This data is now monitored in-year through our own student records to assist with early notification of any significant

issues. Research is also currently underway to look at underlying reasons for non-continuation:

	Degree entrants	Benchmark	Other undergraduate entrants	Benchmark
2016-17	11%	9.4% (1.15 SD)	16.1%	16.8% (0.65 SD)
2015-16	8.5%	10.3%	16.5%	17.1%

Student employability: Further education:

The latest results from the SFC College Leavers Destinations survey for our FE leavers are: Proportion of leavers in a positive destination, 3 – 6 months after qualifying (2016-17):

	2016-17	2015-16
Region FE qualifiers	94.8%	94.0%
Scottish figure	95.0	94.9%

While this is a positive outcome, the region faces a challenge to ensure that these employment opportunities are full-time, permanent opportunities offering routes to rewarding careers. In response, we are seeking to develop work-based learning pathways in key industry sectors, enabling those who choose an employment route to continue developing their careers.

Another regional strategy, in the final stages of development, aims to drive growth and enhancement in student work experience in further education provision. This development has been partnership-led and will provide a strategic approach to support progress towards achievement of the associated regional outcome agreement target.

Higher education

HESA also publish the Employment Indicator PI from data collected in the Destination of Leavers from Higher Education survey. The latest results show an improvement in the proportion of leavers going into work or further study:

	2016-17 graduates	2015-16 graduates		2016-17 graduates	2015-16 graduates
Degrees	93.2%	92.9%	Other undergraduate	98.5%	96.6%
Benchmark	94.0% (1.16 SD)	93.7% (1.13 SD)	Benchmark	97.0% (0.37SD)	96.2% (0.37 SD)

A developed work-force – employer engagement and curriculum development

1. Employer engagement

The ESIF funded curriculum development employer engagement team is now fully staffed. Each area works with the university's educational development unit (EDU). The team have been undertaking sector specific research, engaging with employers and attending sector events. In the first six months the team achieved 39% of the ESIF target interventions, which exceeded expectations. Team updates include:

- Engineering: postgraduate portfolio including flexible Masters programme, undergraduate portfolio included blended development of selected modules, sector curriculum development in Moray, support for specific companies' recruitment requirements, preparatory work to support high-profile economic development activities.
- Science, Technology and the Environment: supporting the development of the BSc (Hons) Applied Software Development and re-validation of the BSc (Hons) Applied Science, developing multidisciplinary employability skills workshops and monitoring progress on the 3-year work plan agreed with one of the Scottish public body responsible for conservation.
- Creative and cultural industries: postgraduate portfolio across creative practice and entrepreneurship, undergraduate portfolio including BA (Hons) Drama and Production and new performing arts provision for Shetland College UHI, delivering a new employer supported residency programme, introducing added value provision based on freelance and self-employment.
- Business, management and leisure: postgraduate portfolio; curriculum development in hospitality, sport and fitness, tourism and financial services, setting up employer-led workshops and in-class sessions, identifying specific placement or work opportunities for students, for example the development of an exclusive RBS Work Placement Programme to be piloted with in 2019.
- Applied Life Studies: Work placement programme for the new undergraduate BSc (Hons) Optometry degree, enhancement of work placement experiences for BSc (Hons) Psychology, BA (Hons) Child and Youth Studies and BA (Hons) Health and Social Studies. Creation of new reusable learning objects to enhance the online student experience.

ESIF funded academic development leads and curriculum development fellows have or will be appointed to take forward new curriculum in areas of nursing/midwifery, optometry, computing, creative practice and tourism leadership.

2. Higher education curriculum developments

Health, social care and life sciences

In 2017-18, the university welcomed the first cohort of undergraduate nursing students in Inverness and Stornoway, and also developed and successfully recruited to the MSC advanced nurse practitioner, in consultation with NHS colleagues. We have recruited to target for the BSc nursing programmes in 2018-19 and are running the second cohort of the MSC ANP, plus offering individual modules for nurse CPD.

The ScotGEM programme recruited 55 students in first cohort. The University of the Highlands and Islands focus is on recruitment pathways and year two and three delivery support when the students are in the region and on evaluative research. University validation for the BSc (Hons) Optometry is complete and the process for General Optical Council provisional approval is on target. A Head of Department has been recruited and a collaborative undertaking with Deakin University in place.

The university department of nursing staff at Lews Castle College UHI and NHS Highland developed and launched a PgCert Quality Improvement Science linked to HI3 (Highlands and Islands Improvement Institute). The first cohort of 20 students was recruited in September 2018.

The BSc (Hons) Integrative Health Care at Moray College UHI enrolled the first 15 third year degree students in 2017-18. This is a top-up for the HND Complementary Therapies. The BSc (Hons) Psychology was successfully re-accredited by British Psychology Society and a new MSc Psychology Conversion approved and recruited 17 students in Sept 2018. The BSc Oral Health Science was successfully re-accredited by the General Dental Council.

STEM

In terms of curriculum development, the last year was one of review and refocus on the regional opportunities presented by evolving patterns of learning and the potential of significant inward investment, which may be linked to the dip in STEM SDUE entrants in 2017-18.

We validated our latest aircraft engineering programme, it is a four-year honours degree in aircraft maintenance and management. The unusual feature is that the first two years incorporate, in a fully integrated manner, an industry recognised practical qualification for aircraft maintenance, EASA Part 66. This not only means that our graduates will be 'work ready' on graduation but experienced engineers already holding EASA Part 66 will be able to join our programme with advanced standing at SCQF level 9.

Another approach to work-linked learning is the Civil Engineering Graduate Apprenticeship, which took on its first cohort of 13 students building on the experience of the Foundation Apprenticeship in the same subject. The tripartite arrangements with student, the university and employer are likely to prove as exemplars both within with university and in the wider sector.

A course in development, which is built on the design ethos of the GA, is the BSc (Hons) Applied Software Development. The university has invested in a bespoke development programme with educational developers, industry liaison officers and 'industry fresh' academics. IBM have been so impressed with the proposed programme that they are negotiating potential further close liaison, 'badging' and placements. All of this, is likely to enable us to be able to generate more of the sort of graduates being requested of Highlands and Islands Enterprise in increasing numbers.

One final example of how the university is responding to sector demand with flexibility and innovation is the MSc in Civil Engineering being developed for delivery from 2019. This programme will be online, 'roll on roll off' provision in response to a request from local authority roads and infrastructure departments across Scotland.

During 2018, the university has been developing a closer relationship with key inward investors and linked stakeholders including Boeing, Lockheed Martin, and Liberty. On the back of these discussions, we are developing consortium bids with HIE, the RAF, local authorities and private companies to fund 'game-changing' regional investments based on the application advanced technologies, innovative training and education, applied research and a impactful exchange of knowledge between industry and academia.

Teacher education

The BA (Hons) Food, Nutrition and Textiles Education was developed and launched with GTCS accreditation for September 2018 entry. The programme is designed to produce secondary teachers in home economics and was supported by the Scottish Government in response to teacher shortages. 17 first years and 6 direct entry second years started the course in Sept 2018.

BA (Hons) Gaelic and Education is now included in the teacher workforce planning and controlled funded numbers. The programme recruited five students on the third year and five in the fourth year of the programme in Sept 2018.

The first cohort of 18 teachers in independent schools were enrolled on the PgDip Teaching Qualification (Practitioner's Route) in Jan 2018, with 31 enrolled in September 2018.

Early learning and childcare

From 2017-18, SFC has allocated additional funded places ring-fenced for HNC and BA Childhood Practice to increase the numbers of graduates going into the workforce to deal with the expected increase in demand for childcare places following the Scottish Government's expansion of funded early learning and childcare entitlement by 2020. We are not recruiting to these additional targets, especially for the HNC. Along with the data submissions on these funded places requested by SFC, the university supplied a narrative context for the current position.

We are in regular discussion with employers within our region about their needs, workforce planning and local demand for suitable qualified professionals. The 2018-19 increase in the SFC intake target, especially for the HNC CP, is out of step with what our employers are telling us during these discussions. Our local employers are not expecting such an increase in unfilled vacancies for suitably qualified professionals. Where there may be an increase in demand, many employers are concentrating on upskilling existing employees and converting part-time employment to full-time. This is evidenced in the increase in interest in SVQ 2 and 3.

To accommodate such an increase in the HNC intake would also be a challenge for some of our academic partners, however, where there is demand from applicants and employers, we are working to find flexible ways to make that provision available, for example:

- Perth College UHI is delivering the HNC over one year to staff employed in the local sector through a route that sees them undertaking SVQs in their workplace and the college delivering the HN units online with twilight sessions on campus.
- Sabhal Mòr Ostaig UHI is now approved to deliver HNC Childhood Practice in the medium of Gaelic

More recently the university successfully bid to run a pilot graduate apprenticeship in this area, which will need taken into account in terms of the total provision compared to the SFC additional places.

New provision in other areas

18 students were recruited to the BA (Hons) Creative Writing in 2018, a new degree for the creative industries led by North Highland College. A number of SQA HNC courses were also approved for this sector for example jewellery, photography and textiles. This follows on from the introduction in 2017 of the MA Art and Social Practice.

The BA (Hons) Adventure Education and Outdoor Education and Learning were added to the business, tourism and leisure portfolio in 2017, recruiting a total of 28 new entrants.

Apprenticeships

In 2017-18, partners agreed to move from individual college contracts with Skills Development Scotland to a single regional contract for Foundation Apprenticeships, Modern Apprenticeships and Graduate Apprenticeships through the UHI Work-Based Learning Hub. During the first year of operation of a regional Modern Apprenticeship contract, growth of an additional 52 places has been achieved. The region has also been able to respond nimbly to employer demand by working regionally and flexing the supply of places between partners. The region is working collaboratively to provide an enhanced Modern Apprenticeship offer to employers, making best use of technology and skills within the partnership to address skills gaps in key industry sectors. For instance, chefs in Argyll and Moray College UHI hospitality lecturers have worked together to create podcast master classes to enhance the Modern Apprenticeship.

While the Foundation Apprenticeship programme continues to build momentum year-on-year, the main challenge continues to be securing sufficient numbers and quality of applications from schools to enable sustainable cohorts to meet industry demand for growth sectors.

Of the 199 anticipated starts, actual starts are currently reported as 191. Growth has been achieved in the majority of frameworks and in 2018-19 a Foundation Apprenticeship in Children and Young People will be delivered in the Gaelic medium.

Internationally competitive and impactful research (see appendix for a summary of the impact of the REF funding)

Detailed plans for REF 2021 preparation have been completed, including:

- An impact case study training day for academic staff (held in September 2018)
- Preparation of the REF Code of Practice and its approval prior to national submission in June 2019
- Agreement on arrangements for the mock REF. It will take place in May and June 2019 and will consist of a day per UOA with an opportunity for critical reflection and panel feedback
- A separate impact case study event over two days to provide specific feedback relating to each case study from an expert panel.
- A letter has been sent to the SFC requesting that the normal requirements for HESA data for staff are waived for the university, given the nature of the partnership and the 14 separate employers. This issue will, as in REF 2014, be considered at UK level during the course of 2018-19.

The University approved a new Research Data Management Policy in 2017-18 which took full account of the Concordat on Open Research Data. Arrangements are now progressing for implementation of the new policy. In addition a review of compliance with GDPR was completed and revised business processes – for example in research ethics – are being implemented in 2018-19.

Work has progressed on a number of fronts to secure increased connectedness with the changing arrangements around research funding and national policy, including:

- Working with the University of Stirling, Heriot Watt University and industry partners on a major bid under the UKRI's Strength in Places Fund. This bid built on the MAXIMAR science and innovation audit and focused on themes such as marine biotechnology and aquaculture.

- Additional funding from the University Innovation Fund will be used to increase our capacity to bid for funds under various streams within the Industrial Strategy Challenge Fund. Significant preparation work has progressed around a potential bid connected to 'Healthy Ageing'.
- A collaborative approach has been developed with Scotland's Rural College (SRUC) which is anticipated will lead to a firm proposal focused on natural capital in the blue and green economy
- A joint UHI/HIE invitation has been accepted by Sir Mark Walport, Chief Executive of UKRI, to visit the Highlands and Islands region to help the university raise the profile of its work in key sectors. It is anticipated that this visit will take place late in the academic session 2018-19.
- Discussions to strengthen environment scanning progressed in early 2018-19 in line with the restructuring of the university's Grants and Contracts team.
- We are progressing with arrangements to connect more strongly knowledge exchange and research activities. Significant work has been done to raise the profile of knowledge exchange activity with a view to enhancing income, including the number of innovation vouchers.
- We have expanded the numbers of projects utilisation the GCRF funding stream following the significant uplift in 2018-19.

There is ongoing work to strengthen the university's research collaboration involving multiple institutions, especially given the requirements of many UKRI funding streams for there to be large consortia in place as a pre-requisite to bid submission. Current examples include:

- The rapidly growing work of the School of Health, Social care and Life Sciences to develop a number of collaborations at national and international levels with other universities and with industry and commercial considerations.
- Ongoing collaboration between UHI, Robert Gordon University and Heriot Watt University focused on the blue economy and tourism
- The Soillse research network, focusing on Gaelic language and culture, is now in its second phase and includes a growing number of partners drawn from Scotland's universities.

The review of the university's strengths and weaknesses in regard to the research integrity concordat has been completed and an action plan is now in place.

We have also considered the commitments articulated in the manifesto associated with the National Centre for Public Engagement and Research, and it is anticipated we will become a signatory.

Sustain high-quality research training and development

Developments, which will roll out for students in 2018-9, include new provision for viva preparation, teacher education for research students and new materials focusing on mental health and wellbeing.

The Doctoral Training Partnership (DTP) associated with the Scottish Graduate School of Arts and Humanities (SGSAH) has secured funding for 2019-20. We were also part of a successful bid for a DTP through MASTS. It is a notable step forward that the university will be part of two DTP bids.

The team taking forward Athena Swan has been revised and strengthened and the action plan updated. There have been some challenges around data collection given the nature of the university partnership and the reality of 14 separate employers, but good progress has been made across a number of areas, including for example the proportion of women being appointed as professors through university's Academic Titles Review Board.

Greater innovation in the economy

Seven KE sectoral hubs have now been established within the university focused on: aquaculture, energy, rural health, sports and well-being, tourism, creative economy and water quality innovation.

Each group is now fully staffed and operational, driven by targets in terms of activity outputs and impacts focused on increasing business engagement, innovation and economic development.

In addition, a separate UIF funded project has been providing training for staff and students in entrepreneurship, including a 3-day boot camp delivered in January 2018.

The 2017-18 SFC outcome agreement target of eight SFC Innovation Vouchers (including follow-on and multiparty Vouchers) has been achieved. These included six standard innovation vouchers and two follow-on vouchers:

Standard Innovation Vouchers:

- Orkney Distilling Limited, Orkney Botanicals (Food & Drink, Agriculture)
- Slow Adventure-Slow Adventure Business Co-operative (Tourism)
- Onsite Insight (Sport & Leisure)
- New Wave Foods (Food & Drink)
- Yam Pro Energy (Renewable Energy, Wave Energy)
- Biomatrix Water Solutions (Environmental)

Follow-on innovation vouchers:

- R&B Distillers Ltd. Skye Barley (Food & Drink, Agriculture)
- Nineighty Ltd (Sport & Leisure, Engineering)

The university continues to engage with the SFC Innovation Centres. The most relevant activity to date is the Scottish Aquaculture Innovation Centre Phase 2 of the NAFCMC UHI Shellfish hatchery project. This project is coming to close but has demonstrated that the concept is feasible. Further funding applications are currently being developed that will take this project to the required commercial scale of mussel spat production.

As mention in the research section, during AY 2017-18 the university also led a £34 million bid for the UKRI strength in places fund. The consortium included Stirling and Heriot Watt universities, private companies and two Innovation Centres (SAIC and IBioIC). The proposal focused on marine technology, engineering, bioprocesses and policy/governance.

High performing institutions

Regional strategic body (RSB)

The Audit Scotland report 'Scotland's Colleges 2018', concluded that the University of the Highlands and Islands, one of three Regional Strategic Bodies responsible for further education in multi-college regions, was making good progress. The report specifically referred to increasing levels of collaborative work undertaken. This has been particularly evident during 2017-18, the region has built on the infrastructure developed in previous years to support the work of the RSB, deepening collaborative arrangements through the development of a shared policy context for further education. This initiative has been partnership-led with project management support provided by the RSB. In total, eight policies are either complete or in development, with work at an advanced stage to develop associated underpinning working practice.

The project was originally established to reduce duplication of effort across the partnership and to bring greater levels of consistency to the student experience, however, even at this early stage, further benefits have been realised. For instance, in systematically managing corporate knowledge, through project outputs, the partnership is developing greater levels of resilience and protection against temporary skills gaps that can occur in rural and remote areas. The project has also been a catalyst for the development of regional communities of practice of practitioners and the transfer of practice between partners.

The regional Quality Forum has worked over recent years to share practice in quality management. In 2017-18 agreement was reached to formally harmonise quality enhancement and quality assurance practice across the partnership. This work is well-advanced in terms of quality enhancement and the regional approach and the development of Evaluative Reports and Enhancement Plans is indicative of progress.

Sustainable institutions

Carbon management: In the last outcome agreement, it was reported that SFC had offered in principle to fund two days consultancy to help the university come up with practical targets in this area. The funding council has now asked the Carbon Centre to support us in identifying an appropriate set of measures going forward.

Information services: we have now consolidated academic partner data centres with Moray, Inverness, Perth and North Highland utilising our central data centres at the Inverness Campus. This has allowed the partners to retire old energy inefficient server equipment with associated reductions in cooling and power costs without having to purchase new equipment and has allowed the university to increase the utilisation of existing computing assets in Inverness.

We have also been running the single print project where academic partners have been consolidating their diverse printing estate into a smaller number of MFDs with 'pull printing' (where the user has to go to the device and sign in to get the prints). This means fewer devices (less power) and less prints as pull printing is only initiated when the user attends the machine.

Equality and diversity

- Equality Outcomes 2017-2021 published in April 2017: formal reporting on progress is due April 2019 and new Equality Outcomes in 2021.
- An extensive recruitment exercise was conducted in 2017 for new independent members to join the University Court. The recruitment process was amended from previous campaigns to incorporate best practice guidance from the Equality Challenge Unit (now part of Advance HE) and applications were actively encouraged from women, people with disabilities and people from ethnic minorities. This new approach was extremely successful and resulted in an increase in the overall number and quality of applications received and has helped the university to demonstrate its commitment to equality and diversity and to ensuring that our governing body represents the staff, students and community that it serves.

Lessons learned from the recruitment process have been shared with academic partners to inform their own recruitment activities, including template job descriptions and person specifications and advertisements.

- The university is committed to supporting up to ten members of staff to participate in the next Advance HE Aurora programme. This opportunity is open to women at grades up to senior lecturer and the professional services equivalent with places awarded on a competitive basis.

These Women Can! – a one-day event held 8 March saw colleagues from across the university gather to discuss and debate the current challenges facing women in Higher and Further Education. Led by invited speakers, a range of issues and perspectives were explored, showcasing a number of successful initiatives and providing an opportunity to reflect, plan and network with colleagues from across the university.

- The university appointed a new Equality and Diversity Adviser in June 2018 following resignation of the previous post holder in February. This post is employed on a full time basis by Perth College UHI with a 0.4 FTE secondment to the university. The purpose of the role is to provide specialist advice, guidance and leadership on equality and diversity issues, co-ordinate and contribute to the development and enhancement of strategy, policy and procedures and support collation, monitoring, analysis and publication of relevant equality data.

Committee	Further Education Regional Board
Subject	Regional Outcome Agreement Development 2019-20 to 2021-22
Action requested	<input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Brief summary of the paper	This paper described the process to be followed for development of the Regional Outcome Agreement for 2019-2020 to 2021-2022. While in draft form and prior to submission of the final ROA to SFC, consultation is required to be undertaken with CPPs and local authorities across the region, as well as with staff, students and trades unions.
Resource implications [if yes, please provide detail]	No Click here to enter text.
Risk implications [if yes, please provide detail]	Risk of non-compliance if SFC Guidance is not followed.
Date paper prepared	22/10/2018
Date of committee meeting	21/11/2018
Author	Dr Diane Rawlinson
Link with strategy Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> compliance partnership services risk management strategic plan other activity [e.g. new opportunity] – please provide further information. 	Delivery of Regional Outcome Agreement targets Click here to enter text. Choose an item. Click here to enter text.
Equality and diversity	No
Status	Non-confidential
Consultation How has consultation with partners been carried out? [summary of response should be included in the paper]	Choose an item. Integral to the paper

Freedom of Information Can this paper be included in 'open' business?*	Yes
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* If a paper should not be included within 'open' business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click here to enter text.	<input type="checkbox"/>

For how long must the paper be withheld? [Click here to enter text.](#)

[express either as the time which needs to pass or a condition which needs to be met]

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>

and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Regional Outcome Agreement Development 2019-20 to 2021-22

Background

Further and higher education student activity in the region is funded through an Outcome Agreement with the Scottish Funding Council spanning three years but re-negotiated annually. Each year, Outcome Agreement negotiations reflect any changes to Government priorities and the performance of the region in the previous year. Government priorities are communicated through the Scottish Funding Council, driven by the annual ministerial letter of guidance issued to the Chair of the Scottish Funding Council.

The region's Outcome Agreement is tertiary, spanning further and higher education. Targets for each aspect of the University's work are however distinct, as are the two funding streams, and are separately negotiated. The timescale for the Outcome Agreement development is reported below.

Activity	Deadline
Guidance updated and published	Oct-18
2017-2018 EREP submitted	31-Oct-18
SFC review progress with ROAs	06-Dec-18
Draft ROA submitted	by 10 December 2018
Feedback on draft ROA	by 31 January 2019
SFC agree indicative funding for 2019-2020	30-Jan-19
2019-20 indicative funding announced	Feb-20
2019-2020 final funding allocations announced	May-19
Final ROA submitted	by 30 April 2019
Publication of Outcome Agreements	Jun-19

Regional Outcome Agreement 2019 – 2020 Priorities

The process of 'intensification' of the outcome agreement process under which the Government is seeking colleges to develop more ambitious targets for student retention and attainment to support the widening access agenda, addressing the attainment gap that exists for disadvantaged students continues in 2019/20. These areas of disadvantage include care experienced young people, student carers, students residing in areas of multiple deprivation and ethnic minority groups. The Scottish Funding Council is being encouraged by the Government to set even more ambitious and challenging targets and drive further progress through a 'more dynamic allocation of funding to drive and incentivise improvement'. Colleges are also asked to address issues of gender imbalance across subject areas.

The Scottish Funding Council is seeking a response through Outcome Agreements to Government's race equalities framework 2016-30, the Scottish Government Mental Health Strategy, A Fairer Scotland for Disabled People Delivery Plan, the British Sign Language National Plan, the SFC Care Experience National Ambition and A Blueprint for Fairness. New areas of consideration are the Scottish Government's Diet and Healthy Weight Delivery Plan for 2019-20, veterans/early service leavers and estranged students. The guidance also prompts colleges to equality impact assess their Outcome Agreements.

Other areas of priority include STEM provision and digital skills. The Scottish Funding Council also highlights the need for colleges to play a greater part in the innovation agenda, responding through engagement with innovation centres and uptake of innovation vouchers.

The Government expects school/college partnership activity to be mainstreamed with a step change in scale and scope of activity in provision of vocational pathways closely linked to economic development and predicted future skills gaps.

Work-placement and work place experience is required as a feature of all vocational provision associated with developing the young workforce and colleges are encouraged to set ambitious targets for expansion of apprenticeships.

The Development Process

The timescale for ROA development is very tight. At the same time, the guidance prompts colleges to consult with students, staff, local authorities and trade union representatives. Colleges are specifically required to evidence engagement with local authorities in relation to DYW and that actions in the Outcome Agreement meet local authority needs. The requirement for evidence of consultation with numerous stakeholder groups is a particular challenge in the context of the UHI partnership and a region of this complexity. In order that this consultation is meaningful, it is proposed that this be carried out at a local level through Principals engagement with CPPs. Staff and student representatives will be engaged in the ROA development process through membership of Partnership Council, academic partner Boards of Management and FERB.

Internally, draft targets will be developed through Partnership Council with partners agreeing priorities and the focus for any draft stretch targets. Academic partners will lead on consultation with CPP partners including local authorities ensuring that the Regional Outcome Agreement addresses local needs.

Internal timescales

Activity	Deadline
Draft ROA developed with partner input	by 1st December 2018
Draft ROA submitted to SFC	by 10 December 2018
Partners consult with CPPs	by end of February 2019
Final ROA submitted	by end of April 2019