



Board of Management

MINUTES of the MEETING of the BOARD OF MANAGEMENT held in room 202, 1 Inverness Campus on Tuesday, 18 December 2018

PRESENT:	Hazel Allan (by VC), Andrew Bowie, Sarah Burton, Jaci Douglas, Andy Gray, Brian Henderson (by VC), Robyn Kennedy, Carron McDiarmid, Helen Miller, Innis Montgomery Chris O'Neil, Fiona Neilson, Gavin Ross, Tom Speirs, Neil Stewart, Steve Walsh, John Wilson
CHAIR:	Neil Stewart
APOLOGIES:	Shawna Mackinnon
IN ATTENDANCE:	Depute Principal Director of Organisational Development Director of Finance Head of Curriculum Head of Student Services Board Secretary

The Chair welcomed Linda Kirkland, member of the UHI Court to the meeting. An open invitation had been extended to court members to attend this and future meetings.

He also welcomed Ken Gowans, Alison Woodside and Iain Gibson who would be making the presentation on Art and Design.

Declarations of Interest

Carron McDiarmid – Item 11 Reference to Highland Council

Fiona Neilson – Item 10e Reference to Intellectual Property Policy

He advised that he wished to include one item under “AOCB” namely New Campus – Group 2 Equipment. This was accepted.

Steve Walsh entered the meeting during the presentation

Presentation - Art and Design

Ms Woodside referred to the 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.

Mr Gowans outlined the benefits to the College of re-establishing a creative and cultural presence in the centre of Inverness which included an enhanced profile, better engagement with public/private sector partners and stakeholders and better connection with the wider cultural community.

Board Members asked a number of questions and the Chair thanked Mr Gowans, and Ms Woodside for outlining the exciting proposals which would allow the College to have a presence once again in the city centre.

1. MINUTES

The Minutes of the Meeting of the Board of Management held on 11 October 2018 were **AGREED** as a correct record, were **APPROVED** and were signed by the Chair.

2. OUTSTANDING ACTIONS

GDPR

It was **AGREED** that those members who had not yet done so, would complete both the information security and GDPR training modules by the end of January.

Risk

The Chair of the Audit Committee referred to the discussions at the Joint Audit Committee Chairs meeting and at the Audit Committee. There appeared to be no recognition that when EO and partners acted in their own best interests in relation to partnership wide risks, that these actions might have an adverse effect across some of or the whole of the partnership.

There was also an inconsistency in the method of assessing and reporting risk across the partnership and this required to be standardised.

The Chair expressed her concern that meetings of the Joint Audit Committee Chairs were generally poorly attended. The committee was a discussion forum only and had no decision making powers.

It was **AGREED** that the Principal should raise the issues of partnership wide risks and mitigation and the need for consistency of approach at Partnership Council.

Student Residences

The Chair referred to discussions at both the Finance Committee and at the UHI Court. The UHI Court had tasked the Chief Operating Officer and Secretary UHI (COOS) to provide answers to a number of questions. It was very concerning that the Court had only recently been made aware that EO would incur a loss of £250K per annum as a result of the service charge, even if the residences secured a 100% occupancy rate,

The Board had a long a detailed discussion and the following key points were made

- Cityheart had not suitably prepared the residences for the recent Inverness College Open Day and no Cityheart staff had been available to show parents and students around the facilities
- No assurance had been received from EO that the safeguarding measures put in place following the incidents reported last year had been rolled out across the partnership to ensure equity of experience for all students

- There was deep frustration about the ongoing financial and reputational risks to the College
- The residences had to be thought of as an asset and creative thinking was required to mitigate the financial losses
- There was an increased risk around safeguarding our students when empty rooms were let out commercially to unknown individuals
- Clarification was required as to whether state aid was being used by EO to subsidise/invest in a commercial activity
- A timescale had to be put in place to resolve the shortfall in occupancy levels and improve the student experience.

It was **AGREED** that

- The Board should request that an external audit of the residences be carried out to provide a better understanding of the key issues which needed to be addressed.
- The HISA President Inverness should write to the Chair of the UHI Court raising the concerns of students.

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

3. **AUDITED ACCOUNTS FOR YEAR END 31 JULY 2018**

The Joint Audit/Finance and General Purposes Committee, at its meeting on 6 December 2018 had considered the annual audit report, the Financial Statements for the year ended 31 July 2018 and the letter of representations and had recommended approval of same to the Board of Management.

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
- 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 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.

The Director of Finance referred to some further late amendments which had been made to the financial statements. These had been discussed with and agreed by the External Auditors.

The Chairs of the Finance and General Purposes and Audit Committees both referred to the worsening financial position and stressed the need for the College to focus on financial sustainability.

The Board of Management **APPROVED** the annual audit report, the revised Financial Statements for the year ended 31 July 2018 and the letter of representations for submission to the Scottish Funding Council by 31 December 2018.

The Chair referred to a suggestion made at UHI Court that the University should in future prepare a set of consolidated accounts. The Board was unclear what benefits there might be from consolidating the accounts but were mindful of the considerable additional pressures on the Finance Team if they were required to complete the annual accounts in an even tighter timescale.

4. AUDIT COMMITTEE ANNUAL REPORT TO THE BOARD OF MANAGEMENT

The Chair of the Audit Committee advised that the Committee was required, in accordance with Scottish Funding Council guidance, to report annually to the Board of Management.

The Audit Committee, at their meeting on 27 November 2017 had, subject to a number of minor revisions being incorporated, recommended the annual report to the Board of Management for approval.

The Board of Management **APPROVED** the annual Audit Committee report.

5. ANNUAL BOARD REVIEW OF RISK MANAGEMENT POLICY

The Audit Committee, at its meeting on 27 November 2018 had reviewed the risk management policy and subject to two minor amendments, had recommended it to the Board of Management for approval.

The Board of Management **APPROVED** the risk management policy.

6. UHI COMMON POLICY ENVIRONMENT - POLICIES

The Principal introduced a number of policies which had been developed as part of the UHI common policy environment. The admissions and tertiary learner support and the fee waiver and student support funds policies had been considered by the Learning, Teaching and Research and the Finance and General Purposes Committees at their meetings on 4 and 6 December respectively. These committees had recommended the policies to the Board of Management for approval. The intellectual property policy was submitted directly to the Board of Management for approval.

The Board of Management

1. **APPROVED** the admissions, tertiary learner support, fee waiver, student support funds and intellectual property policies.
2. **REQUESTED** the Board Secretary to suggest that input by the Board should be sought during the development process, rather than only at the very final approval stage.

7. **POLICIES**

Relocation and removal and staff grievance

The Human Resources Committee, at its meeting on 29 November, had considered minor legislative changes to the relocation and removal and staff grievance policies and had recommended both policies to the Board of Management for approval.

The Board of management **APPROVED** the revised relocation and removal and staff grievance policies.

Supporting Student Carers

The Learning, Teaching and Research Committee, at its meeting on 4 December, had considered the new supporting student carers policy and had recommended it to the Board of Management for approval.

The Board of Management **APPROVED** the new supporting student carers policy.

8. **FINANCIAL REGULATIONS**

The Finance and General Purposes Committee, at its meeting on 6 December, had considered a number of revisions to the financial regulations, has asked a number of points of clarification and requested amended wording in a number of sections. The Committee had, subject to the inclusion of the amended wording, recommended the revised financial regulations to the Board of Management for approval.

The Board of Management **APPROVED** the revised financial regulations.

It was **NOTED** that there was an inconsistency in referencing some areas of legislation across the policies and the Board of Management **REQUESTED** that this be addressed in future.

Steve Walsh left the meeting during consideration of the following item.

9. **FINANCE SYSTEM**

A report by the Director of Finance provided an update on the current status of the Finance System project as well as information on potential alternative options. The project status had been discussed at the Audit and Finance and General Purposes Committees on 27 November and 6 December respectively and both committees had expressed concerns that the project presented a key risk to the College.

The Director of Finance referred to the ongoing negotiations with Technology One and suggested that unless agreement was reached by Christmas, it was unlikely that the August 2019 go live date would be achievable.

The Board of Management expressed serious concerns that

- The Director of Finance had not yet received an updated budget paper on the project
- Both the UHI Finance and General Purposes Committee and the UHI Court had suggested that financial modelling was not available, yet the College's Director of Finance had provided such information within her report
- EO were not discussing all potential solutions with all partners as a collective
- EO were reluctant to share the legal advice received
- The College was unaware that a payment of £100K had been made to Technology One
- Despite APUC advice to the contrary, UHI had agreed an amended variation on the terms and conditions of the contract with Technology One and UHI Court were not aware of this variation
- The College had not seen a copy of the contract between UHI and Technology One.
- There were opportunity costs for the College of not having a new system in place

The Board of Management **AGREED** that it would need to make a decision on the way forward at its next meeting in March 2019. To enable the Board to reach a decision, the following further information would be required.

- Sight of the contract between UHI and Technology One and legal opinion on the legal standing of the College in relation to said contract
- Further legal advice on the agreement between the College and UHI
- Detailed information on the opportunity costs to the college of not having a new system in place

The Board of Management further **AGREED** that it would be beneficial to allow the new Project Manager to assess the position and to **REQUEST** a report early in the New Year.

Further consideration would be given to a suggestion that the Chair should request a meeting with the Chair of Court and COOS to discuss the concerns of the Board.

10. **STUDENT RECRUITMENT 2018-19**

A report by the Depute Principal provided an update on student recruitment in 2018-19. The current student activity indicated that:

- FE recruitment should achieve the 2018-19 credit target of 29,211. The total current FE enrolments for 2018-19 was 3,394, generating 25,000 credits - 85.6% of target
- HE recruitment (FTE) was likely to be slightly below the funded undergraduate target of 1,618 FTE. As at 18 December the FTE, counting by module attachment was 1,585FTE.

A number of initiatives were underway with e.g. Inverness Caledonian Thistle and Ross County youth teams and with Scottish Rugby and with secondary schools to increase the number of FE credits.

The Board of Management **NOTED** the position and congratulated the SMT on providing this level of data.

Tom Speirs left the meeting during consideration of the following item.

11. PRINCIPAL'S UPDATE

Reports by the Principal provided an overview of new and continuing activity and on the impact of Brexit. The main points discussed and noted were as follows:-

- SAAS were able to pay £303 per 20 credit degree module. UHI only charged £215 per degree module so there was a potential shortfall of £130K for Inverness College. The Principal had been tasked by the Vice Principal to provide him with a short report on this issue so that he could investigate.
- There was a proposal to increase the RUK fees by 5% for 2019-20 but the approval process was unclear.
- At present it took UHI 2 years to validate a new course. In order to meet the needs of the international market, validations needed to be completed within 3-6 months.

The Principal also referred to the Longman Disposal Project. The College was waiting to receive written confirmation from UHI that the funding was in place and final consent letter from Vodafone. The proposed mobilisation date was 16th January.

12. MINUTES OF MEETINGS OF BOARD COMMITTEES

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

- 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 13, 14 and 15 were included in the agenda for noting only and therefore no discussion took place at the meeting.

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

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

14. 2017-18 REGIONAL OUTCOME AGREEMENT SELF EVALUATION

A draft of the regional outcome agreement self- evaluation for 2017-18 had been considered by the FERB at its meeting in November.

15. REGIONAL OUTCOME AGREEMENT PROCESS

The process to be followed for development of the Regional Outcome Agreement for 2019-20 and 2021-22 had been considered by the FERB at its meeting in November.

16. AOCB - NEW CAMPUS – GROUP 2 EQUIPMENT

The Director of Organisational Development referred to previous discussions at the New Campus Project Board on Group 2 Equipment costs and the identification of some areas of dispute with GTEIL, primarily around flues. The College had now received a notice of adjudication on the matter and it would therefore be prudent to pay GTEIL for the undisputed amount. The value of the undisputed amount was £1,536,768. As £1m had already been built into the contract, the sum now due was £536,768 plus VAT.

The Chair asked members of the New Campus Project Board to approve this payment.

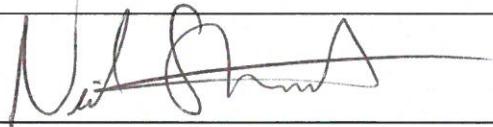
The 5 members of the New Campus Project Board present at the meeting (Neil Stewart, John Wilson, Hazel Allen, Gavin Ross and Chris O'Neil)

APPROVED the payment of £536,768 plus VAT and the Board of Management concurred with this decision.

17. DATE AND TIME OF NEXT MEETING

Thursday 21 March 2019 at 3.30 p.m.

Signed by the Chair:



Date:

21 / 03 / 19