

Board of Management

Meeting	Finance and General Purposes Committee
Date and time	Thursday 7 December 2017 at 9.00 a.m.
Location	Boardroom, 1 Inverness Campus

College Secretary
4 December 2017

AGENDA

Welcome and Apologies

Declarations of Interest

ITEMS FOR DECISION

1. **MINUTES**
Minutes of Meeting of the Finance and General Purposes Committee held on 28 September 2017
2. **OUTSTANDING ACTIONS**
Action List

ITEMS FOR DISCUSSION

3. **BUSINESS DEVELOPMENT UPDATE**
Report by Director of Business Development
4. **FINANCE MONITORING REPORT**
Report by Director of Finance
5. **CAPITAL EXPENDITURE PLAN 2017/18**
Report by Director of Finance
6. **OPTIONS APPRAISAL REPORT – ALF**
Report by Director of Finance
7. **ICT SERVICES REPORT (CYBER RESILIENCE)**
Report by Director of Organisational Development
8. **CAMPUS SERVICES REPORT (INCORPORATING GTFM) (Confidential)**
Report by Director of Organisational Development

ITEMS FOR NOTING

9. **DEBT WRITE-OFF REPORT – NOVEMBER 2017**
Report by Director of Finance
10. **THE COLE REPORT**
Joint report by Director of Organisational Development and Board Secretary
11. **AOCB**
12. **DATE OF NEXT MEETING**
Thursday 8 March 2018 at 9.00 a.m.

Board of Management

MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 28th September 2017.

PRESENT:	Brian Henderson, Andy Gray, Helen Miller, Chris O'Neil, Tom Speirs
CHAIR:	Brian Henderson
APOLOGIES:	Mick Longton, Carron McDiarmid, Gavin Ross
ATTENDING:	Depute Principal Director of Organisational Development Director of Business Development Director of Finance Secretary to the Board of Management

The Chair requested that the item on Student Residences be moved to the first item for discussion. This was agreed.

1. MINUTES

The Minutes of the Meeting of the Finance and General Purposes Committee held on 12 June 2017 were **ACCEPTED** as a correct record and subject to some amendments being made to the wording relating to the KPI's under each of the supporting strategies to ensure there was consistency of approach, were **APPROVED** and would be signed.

Matters Arising - British Sign Language Costs

The Director of Organisational Development confirmed that this matter had been progressed and a collaborative approach with Highland Council and NHS Highland would be in place for next year.

2. FINANCE AND GENERAL PURPOSES COMMITTEE - TERMS OF REFERENCE

The Board Secretary referred to the suggested amendments which had been made to the Finance and General Purposes Committee terms of reference which had last been reviewed in June 2015.

The Committee, subject to a number of small amendments being incorporated, **RECOMMENDED** the amended terms of reference to the Board of Management for approval.

3. ARMS LENGTH FOUNDATION (ALF)

A report by the Director of Finance set out a summary request for funding from the ALF for a number of areas including ICT equipment, estates investment and CPD – leadership/management. The funds held in the ALF enabled the college to invest for the future.

The Director of Finance also made reference to a communication which suggested that the Foundation Trustees were going to consider the winding down of the Foundation.

The Committee **AGREED** in principle to the proposed summary request for funding in the sum of £236,372 but sought further reassurance that the application to the ALF would be used for strategic investment purposes. The completed application pro forma should be circulated to the Committee members for consideration.

The Committee also **REQUESTED** that an options appraisal report be submitted to the next meeting of the Committee on what our strategy will be regarding the funds if the ALF was wound down.

4. **FINANCIAL REGULATIONS**

The Director of Finance introduced the Financial Regulations which was the main policy document setting out how the college operated from a financial perspective. She indicated that some changes required to be made, specifically in relation to references to the Financial Memorandum.

The Committee discussed the document and a small number of further changes were suggested.

The Committee **AGREED**, subject to the inclusion of the changes discussed, to recommend the Financial Regulations to the Board of Management for approval.

5. **SFC FINANCIAL FORECAST RETURN (FFR) 2017**

A report by the Director of Finance referred to the FFR which was part of the SFC's financial health monitoring framework. In line with SFC guidance, the FFR 2017 had already been submitted to SFC.

The biggest financial challenge facing not just IC UHI but the sector as a whole was the impact of National Bargaining. Only the costs of the uplift in salary scales for promoted and unpromoted lecturers had been reflected in the FFR as there was no certainly around financial impact of changes to terms and conditions or changes resulting from job evaluation for support staff or senior management. Discussions at Board level would be required on how the college, and UHI, should plan to address the funding gap.

Accepting the inherent uncertainty in the current environment, the Committee **AGREED** to recommend the FFR 2017 to the Board of Management for approval

6. **STUDENT RESIDENCES**

The Director of Finance provided some background to the UHI student residences project. UHI had entered into a contract with Cityheart Living (Scotland) Ltd to manage the residences on behalf UHI. Currently the occupancy rate in the residences located on Inverness Campus was 57%. Although UHI had underwritten the project there was an indirect financial risk to Inverness College.

The Committee discussed at some length the main issues around the residences and expressed concern about the lack of marketing information available, about the risk to the College, both financial and reputational, and about the lack of clarity on the strategy for the residences going forward. The committee felt that the integration of marketing with Inverness College could help drive student numbers in some key areas, including international numbers. It was understood that a report would be submitted to the next meeting of the Residences Project Board on the potential financial impact of lower than anticipated occupancy levels.

The Committee **REQUESTED** the Chair of the Board to seek absolute clarity from the UHI Court on the UHI strategy for the residences going forward. College executive members would also raise the concerns through representation on various bodies.

7. NATIONAL BARGAINING

The Director of Organisational Development provided an update on National Bargaining, highlighting the key issues from the recent pay settlement for lecturers.

The FTE equivalent salary for unpromoted lecturers would be £40,026 on 1 April 2019. Once the migration was complete, there would be an additional cost in excess of £5M for the region. This represented a regional increase of more than 16% on the current teaching staff costs. There would be further cost increases relating to teaching staff due to changes in terms and conditions and a significant impact on support staff and management costs resulting from national job evaluation. These costs did not reflect any cost of living increases.

The Committee recognised the concern the current situation was causing and **NOTED** that a further report would be submitted to the Board at its meeting in October.

8. FINANCE MONITORING REPORT 2016/17

A report by the Director of Finance set out the results of the finance monitoring for the 12 months to end July 2017. The forecast year-end position showed a forecast net operational deficit of £772,000 compared with the budget level of £0. The variance in deficit related to the adjusted values to be applied in respect of deferred capital grant which had been recalculated in line with the required accounting in respect of the new campus arrangements.

The Chair requested that the HE credit total be expressed in monetary terms as well as FTE equivalent. It was **AGREED** that the Director of Finance and the Chair would review the format of the monitoring statements to ensure that the Committee was provided with sufficient details to allow them to identify any underlying issues and to challenge appropriately.

The Committee **NOTED** the report.

9. UPDATE ON ACCOUNTS & EXTERNAL AUDIT PROCESS 2016/17

A report by Director of Finance provided an update on the final accounts and external audit process and timescale for 2016/17.

The Committee **NOTED** the report.

10. CAPITAL EXPENDITURE PLAN REPORT 2017/18

A report by the Director of Finance provided an update on the capital expenditure plan for 2017/18 and advised on the approach to ensure that the funds were fully utilised by March 2018.

The Committee **NOTED** the report.

11. BUSINESS DEVELOPMENT/INTERNATIONAL – PLANNED INCOME & EXPENDITURE FOR 2017/18

A report by Director of Business Development provided an in year report on business development across the three areas of activity, namely Business Solutions, International Development and Create. A paper outlining income draft income targets for business solutions and international commercial courses for 2017/18 was tabled.

The Director of Business Development advised that SDS had refused to increase the contract to accommodate 24 new Hospitality MAs and 4 new Customer Service MAs. It had also refused to allow the College to move starts from sector frameworks, which were in low demand, to those in high demand. The UHI VP Further Education, Diane Rawlinson, was making representation to SDS on behalf of the College.

The Committee **NOTED** the position.

12. ESTATES REPORT

A report by the Director of Organisational Development provided an update on outstanding issues relating to the disposal of legacy sites, NPD contract matters and estates and capital project matters.

There were a number of key risks and dependencies relating to the Longman site and the Longman Disposal Project Board were taking these matters forward.

NPD project hard FM contract issues were being rigorously progressed by the Director of Organisational Development. It was suggested that the allocation of staff time required to monitor the performance of the contractor against the facilities management contract should be included as opportunity costs.

The Committee **NOTED** the report

The following items were included in the agenda for noting only and therefore no discussion took place at the meeting.

13. GOVERNANCE

CIPFA BEST PRACTICE GUIDE – FINANCE COMMITTEE EVALUATION.

The finance committee evaluation would take place at the end of the academic year.

14. AUDIT REPORT - NEW CAMPUS – MAINTENANCE AND UNITARY CHARGE CONTROLS

The Chair advised that he would write to the Directors of Finance and Organisational Development on the recommendations in the report.

15. HENDERSON LOGGIE – FOLLOW UP REVIEW

The outstanding items from the follow up review relating to the functions of the Finance and General Purposes Committee were highlighted in the report.

16. AOCB - NEW FINANCE SYSTEM PROJECT

The Director of Finance provided an update on the new finance system project and advised that the potential “go live” date was now June 2018.

17. DATE OF NEXT MEETING

Thursday 7 December 2017 at 9.00 a.m.

Signed by the Chair: _____

Date: _____

Outstanding Actions from Finance and General Purposes Committee - 2 June 2016

Item	Action	Responsibility	Time line	Actioned
Finance Monitoring	monthly phasing figures should be looked at and adjusted to reflect most recent trends, that the student support funds should be included in the monitoring report and that the split in the Unitary charge, as shown in the revenue budget report should be carried forward and included in the 16/17 budget monitoring exercise.		September 2016 F&GP	

Outstanding Actions from Finance and General Purposes Committee – 8 December 2016

Item	Action	Responsibility	Time line	Actioned
Debt Write off report	Review long term age debt (and specifically nursery fees) as part of debt strategy	Dir of Finance	March 2018	

Outstanding Actions from Finance and General Purposes Committee –28 Sept 2017

Item	Action	Responsibility	Time line	Actioned
Sign language costs	Collaborative approach on costs with HC and NHS highland	D of Org Dev	For 18-19 Academic year	
ALF	Completed application pro forma to be circulated to committee members	D of F	As soon as available	
	Options appraisal report on strategy regarding funds if ALF is wound down	D of F	Dec Meeting	
Student residences	Seek absolute clarity from the UHI Court on the UHI Strategy for the residences going forward	Chair of Board	By end 2017	
Finance Monitoring report	review content and focus of report	Director Finance and Chair	By march 2018	

Board of Management

Subject/Title:	Business Development Update
Author: [Name and Job title]	Georgina Parker, Director of Business Development
Meeting:	Finance & General Purposes Committee
Meeting Date:	7 December 2017
Date Paper prepared:	27 November 2017
Brief Summary of the paper:	<ul style="list-style-type: none"> • Modern Apprenticeship contract performance is slightly ahead of SDS profile. Contract increased by SDS for an additional 18. • Regional UHI contracting and delivery model for Modern Apprenticeships approved. • Business Development income broadly in line with budget. • New FDF income stream progressing. £80K approved to date. • International short course provision in development for delivery starting May 2018 to end June 2018. • International business development strategy workshop has been held and the draft strategy will be completed by January 2017. • Business development staff trained to develop Knowledge Transfer Partnerships. • CREATE has developed a Post Graduate Certificate in Entrepreneurship for delivery in 2018. • The income target allocated for CREATE in the budget has been rolled over and is not achievable.
Action requested: [Approval, recommendation, discussion, noting]	The committee is requested to discuss the business development update paper.
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: <ul style="list-style-type: none"> • SDS audit New opportunity: <ul style="list-style-type: none"> • FWDF funding, • Growth in Modern Apprenticeship contract, • Knowledge Transfer Partnerships • International development opportunities.
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: <ul style="list-style-type: none"> • Failure to gain a regional SDS contract for MAs Organisational: <ul style="list-style-type: none"> • International recruitment. Measures to ameliorate risk will be identified as part of the strategy development.

Equality and Diversity implications:	Yes/No If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail	Consultation with UHI and partners in relation to regional MA contracting model.		
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

Business Development Update

1. Executive summary

- 1.1 Modern Apprenticeship contract performance in line with SDS profile at £220K against £205K. We have requested an increase in starts from SDS in September and November. 19 new starts were allocated on 28/11/17.
- 1.2 A proposal to develop a regional UHI approach to a contracting and delivery model for Modern Apprenticeships has been approved. A bid into UHI strategic development funds has been made to support the development and implementation of the new model, with the aim of achieving stretching growth targets over a 3 year period.
- 1.3 There are no budget summaries available to date for 2017/8, however Business Development short course income is broadly in line with the budget, despite human and physical resource limitations.
- 1.4 Development of bids for the new Flexible Workforce Development Fund income stream are progressing, with ICUHI submitting over 90% of the UHI bids to date to the value of £80K to date
- 1.5 International short course provision for 2017/8 has commenced, with Henan University of Urban Construction attending in October. Our short courses for our US partners are in development for delivery starting in May 2018 to end June 2018.
- 1.6 An International business development strategy workshop was held in November, attended by members of SMT, SDi and UHI. The follow up workshop on 15 December will produce a draft 3 year strategy and action plan.
- 1.7 Business development staff have attended training in identifying and developing Knowledge Transfer Partnerships and innovation vouchers.
- 1.8 We are currently seeking sponsorship/ scholarship funding from HIE.

2. Background information

2.1 Modern Apprenticeships Contract

- 2.1.1 ICUHI has a contract with Skills Development Scotland (SDS) for the delivery of Modern Apprenticeships to the value of £416,332. This contract relates to 110 Modern Apprenticeship starts and we currently have 250 in training. In addition, we are sub- contractors delivering MAs for CITB for 66 starts (222 in training) and to SECT for 44 starts (99 in training) and SNIPPEF for 32 (77 in training).
- 2.1.2 Bids for increased contract starts were submitted in September and November but were unsuccessful, as SDS believes that the planned MA starts for 2017/8 are fully contracted. This has resulted in limiting growth and being unable to meet the Modern Apprenticeship needs of local and regional employers. Chris O'Neil and Georgina Parker met with Neville Prentice, Senior Director of Skills Development Scotland on 28th November and confirmation of a contract increase of 19 starts was received that day.
- 2.1.3 Currently, construction is the sector with the largest number of Modern Apprentices across Scotland. Construction craft MAs are contracted to a single supplier, CITB. CITB has recently announced that it is moving away from the direct delivery of training. We are investigating whether there is an

opportunity to take over the direct contracting of MA in construction, worth a potential £1.3million extra income over 3 years – albeit with some costs for the management and coordination of the programme.

2.2 Regional Modern Apprenticeship Contract/Delivery Model

- 2.2.1 The Director of Business Development and other senior staff across the partnership participated in a Short Life Working Group led by UHI VP for Further Education, Diane Rawlinson to establish a regional contracting and delivery model for Modern Apprenticeships.
- 2.2.2 Partnership council agreed the resulting proposal from the Short Life Working Group in November. An application for support funding has been submitted to UHI. See appendix 1.
- 2.2.3 The proposal was also welcomed by SDS colleagues, who appreciated the benefits of a regional approach to all parties.
- 2.2.4 Further work is being undertaken to enable partners to put forward a joint bid in December, for a regional Modern Apprenticeship contract to commence on 1st April 2018. There is a risk that if this bid is not approved then no partner will have a Modern Apprenticeship contract. SDS has assured us that this will not happen and the risk of bid failure will be ameliorated by the involvement of experienced managers from across the partnership in the bidding process.

2.3 Business Development Short Course

- 2.3.1 Budget summaries are not available at the time of writing. However, the initial budget report for September showed that Business Development Short Course income was slightly ahead of budget profile at £41,750 against £41,000.
- 2.3.2 In October 2017, the Scottish Funding Council launched the Flexible Workforce Development Fund to provide £10K worth of funded training for employers who are eligible to pay UK Apprenticeship Levy. This funding is distributed through UHI, as the regional strategic body.
- 2.3.3 The Highlands and Islands region was allocated £890K. ICUHI has had £80K worth of bids for this fund approved to date, with a further £50 K planned by end November 2017. The opportunity to bid is available for a short period, originally until December 2017 but this has recently been extended to the end of February.
- 2.3.4 The process for bidding for the funding is challenging, as there is no register of eligible organisations and detailed organisational training needs analyses have to be undertaken with each company identified. This, together with a full justification as to how the planned training meets the priorities for the fund and a detailed breakdown of costs is then submitted to the regional strategic body for approval. This activity is not funded.
- 2.3.5 Opportunities to access funding for knowledge transfer are being explored. Business solutions staff have undertaken training in both KTP and Innovation Vouchers, which will enable them to better identify potential interventions with employers.
- 2.3.6 Funding is being sought from SFC to map our range of specialist resources and capabilities that could be accessed to deliver Innovation Voucher and KTP funded projects.
- 2.3.7

2.4 International Business Development

- 2.4.1 Funding was secured to have facilitated workshops with the aim of producing a succinct strategy and detailed action plan for the development of international business. The initial one-day workshop, which was attended by representatives of SMT, curriculum managers, UHI and SDi, received excellent feedback. A smaller follow up workshop is planned for December 15th, at which the strategy and action plan will be drafted.
- 2.4.2 There are 4 International Commercial Short Course programmes planned to be delivered in 2017/18 with an approximate value of £108K. Use of the on-site student residences has been agreed at an appropriate fee.
- 2.4.3 The first, for Henan University of Urban Construction, was completed in October 2017 and was focussed on Civil Engineering and creating green urban spaces. There was excellent feedback from the delegation and we look forward to extending our relationship with this institution.
- 2.4.4 Three further “Scottish Experience” programmes are in development with US universities. Two of these are business focussed and include case study projects to work on business problems with local companies. The third is a new concept, with groups of students undertaking field research with the Rivers and Lochs Institute and the Environmental Research Institute.

2.5 CREATE

- 2.5.1 CREATE’s new Post Graduate Certificate in Entrepreneurship, approved by UHI this year, will be delivered from 2018. We are commenced conversations with HIE to seek sponsorship or scholarship funding from HIE
- 2.5.2 UHI and HIE commissioned a piece of research to support the establishment of a School of Entrepreneurship. The university’s Key Account Director, Gary I Campbell, has been tasked with developing a 10 year business plan for the proposed School. CREATE will be engaging with him as part of this process.
- 2.5.3 The 12th annual Business Ideas competition awards took place in November. Over 113 applications were received from across the Highlands and Islands, with entrants ranging from 16 years old to over 80.

Appendix 1.

UHI Strategic Funding– Project Justification

Academic Partner Name : All Academic Partners and UHI WBL Hub

<p>Justification</p>	<p>Project Name</p> <p>Regional Development of Modern Apprenticeships</p>
<p>Strategic Alignment</p>	<p>This proposal is aligned to the UHI Strategic Plan as outlined below:</p> <p>Our Students: <i>Securing greater flexibility and responsiveness in our further and higher education curriculum design and delivery;</i> <i>Enhancing connections between our curriculum and the workplace;</i> <i>Developing new work-based learning opportunities and other opportunities for learners to enhance their skills for work;</i> <i>Increasing access to our curriculum for those communities and groups where choice is currently limited.</i></p> <p>At a time when Further Education growth is capped, regional development of MAs is a means of increasing student numbers at FE (CPI 1b) providing an alternative route to HE and thereby potentially supporting CPI 2). Integral to the project is growth in WBL pathways and WBL opportunities, enhanced partnership with employers and enhanced flexibility of our curriculum offer. Through a collaborative approach we will be able to realise some of the untapped demand from MAs in the region and improve the responsiveness of the University.</p> <p>The University for all of our Region: <i>Enhancing training and skills development and the promotion of sustainable economic growth;</i> <i>Providing a professional and consistent approach to employer and community engagement that underpins the relevance of our curriculum and research;</i> <i>Working with public and private sector partners to identify and address local and regional skills needs.</i></p> <p>The planned growth in MAs will be strategically managed in line with regional SiPs and RSA plans. In working regionally on a single contract, greater growth can be achieved and a consistent apprenticeship experience delivered. A collaborative approach, developing a single MA at UHI brand, will help to increase market share through development of an enhanced offer MA+ not currently offered by private training providers.</p>

This development will contribute to **CPI 8a and 8b** as integral to the development is the addition of breadth to the MA offer in more remote areas. This development will form a key element of our strategic approach to tackling inequality and deprivation as it enables young people to continue their studies and access rewarding employment opportunities, without having to delay earning. The MA strand comprises one element of a work-based learning pathway that spans from senior school phase through to degree. This therefore provides a safe and recognisable route to a career for those who would not necessarily consider a traditional HE experience.

Cross-cutting themes:

The regionalisation of the MA offer and developing a single MA contract that spans academic partners plays to the strength of the University. The tertiary nature of the university underpins our ability to offer seamless work-based learning pathways from senior school phase through to degree. It draws on established strength in employer relationships at academic partners and expertise in delivery of MAs. Taking a regional strategic approach to the MA offer however further enhances the University's reputation. It demonstrates the ability of the academic partners and UHI to work in a cohesive manner for the collective good. It creates clarity of brand and through standardisation of the student experience and an enhanced offer to employers raises the quality of MAs at UHI beyond that offered by the private training providers. Most importantly it removes the possibility of competition between academic providers that can damage our reputation with employers and external agencies.

People:

This project offers more than a regional approach to MAs and the development of a single MA contract. It provides a model for future collaborative ventures and paves the ways for innovative working practice across the partnership. MA contracts have traditionally been negotiated by each academic partner direct with SDS. Senior staff involved in this development have overcome initial reservations and nervousness regarding a regional approach and are now excited about the possibilities a regional approach offers. The project builds on the work done to date in Foundation Apprenticeship growth through development of a single regional contract and is helping to stimulate further collaboration carried out in an open and transparent manner engendering trust.

Infrastructure, Information Services and shared Services:

The regional development of MAs, is an opportunity to demonstrate a collaborative approach that releases potential for the partnership. It draws upon strengths from

	<p>individual academic partners and develops good practice across the partnership for the benefit of the communities we serve.</p> <p>Financial Sustainability: In the current financial context, the partnership needs to realise all opportunities to develop income streams. This development uses a national Government initiative (to expand new starts in apprenticeships to achieve 30,000 new starts in 2020 and proposes a regional strategic response to maximise the income stream potential of the academic partners. The planned MA growth will make a significant contribution to funding gap partners will face as national bargaining is phased in. In doing so it will contribute to CPI 10 – Consolidated partnership annual surplus.</p>
<p>Institutional Development</p>	<p>The partnership is exploring new ways of working more closely and taking a more integrated approach to working practice. This proposal established a model for regional work through development of a single contract with an external agency. It brings together a team of senior practitioners from across the partnership to take a regional approach to MA development and creates a mechanism for sharing expertise and avoiding unnecessary bureaucracy and duplication of effort. This development takes the MA work of the University to an integrated approach, regardless of any structural changes that may or may not develop.</p> <p>It offers an immediate opportunity to develop effective working relationships across the partnership, building trust between partners and between partners and UHI while doing so. The planned MA growth offers opportunity to expand the University's curriculum offer, growing FE student numbers. In developing the University's MA brand, this project will help to establish the tertiary strength of the University across the region and further cement already strong employer relationships.</p> <p>The University is embarking on a time of organisational change that staff may find unsettling at times. At such a time of change it is important that we have tangible examples of successful partnership working to refer to. As this project is in the sensitive area of income generation, its potential as an exemplar for future working practice is even greater.</p>

Growth	<p>The cross partnership senior team that has developed this proposal has taken a conservative approach to planned contract growth. The planned growth is contingent on negotiations with SDS but is predicated on uncapped growth opportunities in specific industry sectors and local intelligence-led employer demand. This development would support planned contractual growth from a baseline of £1.6m to £1.94m in 2018/19 and further growth to £2.25m in 2019/20. As the single contract approach develops, the team would seek to revise these conservative growth plans.</p>
Efficiency	<p>Academic partners currently each contract separately with SDS, each submitting a bid for MA places, each developing their own approach to managing and monitoring the contract and reporting to SDS. Partners also currently each separately develop their own supporting training materials, separately employ assessors and verifiers who often travel long-distances to reach dispersed apprentices in the work-place. Some academic partners have introduced an 'e-Portfolio' approach to managing and delivering the apprenticeship that students endorse. Each partner engaged in this development is however separately contracting with a provider for this service.</p> <p>Most worrying is the detrimental impact separate contracting is having on partners' ability to grow MA places. SDS evaluates performance against set criteria that measure recruitment, retention and achievement. The small cohorts each academic partner recruits to individual MA framework means that performance scores can be disproportionately low and negatively impact contracts awarded. In the past year, some partners have been unable to respond positively to employer demand due to the loss of one or two students the previous year. Other partners have carried unfilled MA places.</p> <p>The regional development of MAs addresses all of the inefficiencies detailed above. In order to do so however, initial start-up activity requires funding as outlined in the Strategic Investment bid. Efficiency gain would extend beyond UHI and include other agencies, not least SDS who would be able to engage in a single audit rather than 10. Employers would also benefit from a single door approach to their MA needs. This is not possible under the current arrangements as different frameworks are offered by different partners.</p>
Sustainable	<p>The funding sought to support the regional development of MAs is one-off to support the vital development and launch of the MA at UHI brand. It is crucial to the success of the venture that employers are made aware of this new and enhanced offer available. Development of the brand will require sensitivity to support</p>

	<p>the carry-forward of the strengths of the existing historical reputation of academic partners in delivery to specific frameworks while raising awareness of the enhanced offer now available. Contract negotiations will begin at the turn of the calendar year, for contract award and delivery starting March 2018. Between now and then we need to streamline business processes and standardise quality management processes to bring a level of consistency to the apprentice experience at UHI and raise our game. Future contract growth is highly dependent on performance scores. The UHI WBL Hub has the infrastructure with which to manage the UHI MA contract going forward (in conjunction with the Business Development Steering Group). The strategic investment funds will however enable us to reach a 'business as usual' steady state with capacity for year on year contract growth.</p>
<p>Implementation</p>	<p>This project has been subject to lengthy and detailed consultation with academic partner principals and Partnership Council, with senior Business Development staff from across the partnership and with practitioners working with the SDS training contracts on day to day basis.</p> <p>This consultation has been on-going since May 2017 and has been building towards the development of a single MA contract for the region and a regional approach to development of MAs to be negotiated with SDS at the turn of the calendar year and implementation in March 2018. In order that this can be taken forward financial support is required to:</p> <ul style="list-style-type: none"> • Streamline working practice and business processes; • Develop a MA at UHI brand with associated marketing materials and marketing activity; • Sharing and upgrading of learning materials to be centrally stored in a repository with shared access; • Adoption of a single 'e-Portfolio' solution; • Development of a shared approach to quality management; • Development of an enhanced offer for frameworks identified for growth. <p>The senior business development team have advised that a learner management system, specifically designed for management of MAs would provide the means of efficiently managing a pan-regional contract, mitigating risk introduced through the added complexity of a regional approach. This again, would support a consistent professional approach to contract monitoring and reporting.</p>

The activities listed above will be taken forward between December and March 2018 to support delivery of the 2018/19 contract. Potential exceptions to this may be where an academic partner has an existing 'e-portfolio' contract that has not yet run its course.

Investment requested

Item	Cost
Marketing Materials Template production	£ 15,000.00
Advertising Costs	£ 20,000.00
Workshops/Events	£ 3,000.00
Streamlining QA Systems	£ 5,000.00
Academic material development	£ 20,000.00
Licensed Data (30,000 records)	15,000.00
Learner Management System	£ 10,000.00
Learning Materials/Digital media/Podcasts/Masterclasses	£ 50,000.00
Total Investment	£ 138,000.00

Board of Management

Subject/Title:	Finance Monitoring Report – September 2017
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	Thursday, 7 December 2017
Date Paper prepared:	4 December 2017
Brief Summary of the paper:	To inform the committee of the financial position for the current financial year as at 30 September 2017.
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:	Yes: whether the College has sufficient resources to meet commitments
Risk implications:	Yes If yes, please specify: Operational: cashflow Organisational: surplus/(deficit), ability to meet customer demand and stakeholder requirements
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

Financial Monitoring for 2017/18 as at September 2017

Executive summary

The committee is asked to discuss the report.

Background information

Regular reporting to committee should provide committee members with appropriate, sufficient information to ensure that the College is operating on a sustainable basis. The format of reporting is currently under review and is likely to change in future with the aim of providing enhanced information to committee members.

The financial monitoring for the 2 months to September 2017 are attached. Further detail to support values is contained in the narrative below

Income and Expenditure Monitoring

- The results of the financial monitoring exercise for the 2 months to September 2017 are summarised in the table below.

Table 1: 2017/18 Income and Expenditure Monitoring – September 2017

YEAR TO DATE	Actual Sep 17 £000	Phased Budget Sep 17 £000	Variance £000
Income	3,551	3,731	(180)
Expenditure	4,203	4,171	(32)
Net Operational Surplus (Deficit)	(652)	(440)	(212)
YEAR END	Forecast £000	Budget £000	Variance £000
Income	26,427	26,442	(15)
Expenditure	27,474	27,524	50
Net Operational Surplus (Deficit)	(1,047)	(1,082)	35

2. The income budget has been revised to reflect the additional SFC funding subsequently made available towards the cost resulting from the national bargaining pay agreement. The expenditure budget has been revised to incorporate the same value leaving the net position, excluding deferred grant and depreciation, as breakeven.
3. The year to date position, for the 2 months to September 2017, shows the net operational position is £212,000 below the budget level. Income, at £180,000 below the budget level and expenditure at £32,000 below budget level, contribute to the variation at the end of the period and further information is given below.
4. The forecast year-end position and shows a forecast net operational deficit of £1,047,000 compared with the budget level of £1,082,000, a positive variance of £35,000. Note that these figures include the budget amounts for both depreciation and deferred grant. Enhanced reporting will be provided in future to inform the committee of the impact on government resource budgets.
5. The monitoring results are shown in the appendices. The list of pages is shown below:
 - Page 1 – Income & Expenditure Report – month, year to date (YTD) and year end.
 - Page 2 - Income & Expenditure Report – showing actual & forecast for the year.
 - Page 3 – Debtors Report – showing business & student debt split, in graphical form.
 - Page 4 – Creditors Report – showing creditor payment days in graphical form.
 - Page 5 – Summary Income & Expenditure and cash flow information from July 2016 for comparison purposes, which show budget, forecast and variance.

Income

6. The grant income related to student activity on the FE side is budgeted at £7,999,542 for 2017/18. Our budget target is 29,069 credits. At present, the college is projecting to exceed the credit target figure. In HE, the college target is to achieve 1,594 FTE's and the projected activity is close to this level.
7. The budget for the year for SFC unitary charge funding is £4,699,000 and at September 2017, there is a negative variance of £8,000. The negative variance is due to additional funding to cover the insurance costs recharged by GTEIL as required in the contract, being less than was budgeted for. This funding is drawn down retrospectively and matches expenditure.
8. The budget for the year for tuition fees is £3,133,554 and at September 2017, there is a negative variance of £307,000 against budget. However, this is anticipated to be a timing issue and the forecast for the year is for a negative variance of £35,000.
9. SDS Training Contracts income consists of modern apprenticeship funding and foundation apprenticeship funding. Current income at September 2017 is nil against a budget of £73,000. The funds are released on the basis of claims submitted to SDS who operate an April to March financial year. Claims are submitted using a

cloud based software system provided by SDS. Current forecast for the year end is a small negative variance of £6,000.

10. Other income for the 2 months to September 2017 is £322,000, £27,000 above the budget of £295,000. Catering and hospitality income accounts for £131,468 to July, a positive variance of £25,892 against budget.
11. For the 2 months to September 2017, the release of deferred grant is as in line with budget.

Expenditure

12. Actual expenditure on staffing costs for the 2 months to September 2017 is above the phased budget by £67,000. Other staff costs are over target by £7,000. Overall there is an overspend of £74,000 on total staffing costs. August pay included a support staff pay award. Pay costs are under close scrutiny and whilst the August pay cost was higher than anticipated, the September cost is back on target.
13. Other expenditure variations for the 2 months to September 2017 include an underspend of £73,000 in unitary charge costs. This relates to deductions from the contract value in respect of performance, and insurance costs not having been charged against this budget line.

Cash Flow

14. The opening cash balance for the year was £3,695,000.
15. The cash balance at 30 September 2017 is positive £2,946,901. This compares with the favourably with the anticipated position of £1,736,680. The current forecast year-end cash balance is £2,719,000.

Creditor Payments

16. Analysis of creditor payment runs indicates an average invoice payment period of 28 days over the 12 month period to September 2017, compared with the figure of 33 days in the 12 months to September 2016. A chart setting out the monthly results over the past year of the creditor payment analysis is appended.

Debtors Summary

17. Analysis of debtor's information shows that for September 2017, the total invoiced debt for the College decreased from £584,483 in August 2017 to £481,343, a decrease of £103,140. Charts showing the above are appended to this report, on page 6 of the appendices. Within this, invoices raised in the business category during July 2017 amounted to £458,319. There is a negative balance against student debt during the current period due to students making payment in advance of enrolment.

Comparable Monitoring Information from September 2016

There are 2 sets of figures included for comparison purposes. The first table is the income and expenditure figures from September 2016, which shows the forecast, budget and the variance. The second table shows the cash flow figures from September 2016, which again shows the forecast, budget and variance figures.

Inverness College

Income and Expenditure Report

Year 2017/18

Month September

	Report Para.	YTD			Year End		
		Actual	Budget	Variance	Forecast	Budget	Variance
Income							
Grants	6	1,798	1,797	1	12,839	12,838	1
Unitary Charge	7	823	831	(8)	4,697	4,699	(2)
Student Support Funds		345	165	180	2,209	2,209	0
Fees	8	137	444	(307)	3,118	3,134	(16)
SDS Training Contracts	9	0	73	(73)	632	638	(6)
Other Income	10	322	295	27	2,179	2,171	8
Deferred Grant	11	126	126	0	753	753	0
		<u>3,551</u>	<u>3,731</u>	<u>(180)</u>	<u>26,427</u>	<u>26,442</u>	<u>(15)</u>
Expenditure							
Staff	12	2,232	2,165	(67)	14,243	14,246	3
Other Staff	12	24	17	(7)	196	196	0
Property		181	168	(13)	1,130	1,126	(4)
Unitary Charge	13	662	735	73	4,112	4,184	72
Transport		9	8	(1)	86	83	(3)
Supplies and Services	13	572	577	5	3,638	3,644	6
Student Support Funds		219	195	(24)	2,233	2,209	(24)
Depreciation		304	306	2	1,836	1,836	0
		<u>4,203</u>	<u>4,171</u>	<u>(32)</u>	<u>27,474</u>	<u>27,524</u>	<u>50</u>
Net Operational Surplus (Deficit)		<u>(652)</u>	<u>(440)</u>	<u>(212)</u>	<u>(1,047)</u>	<u>(1,082)</u>	<u>35</u>

Inverness College

Income and Expenditure Report

£000

Year 2017/18

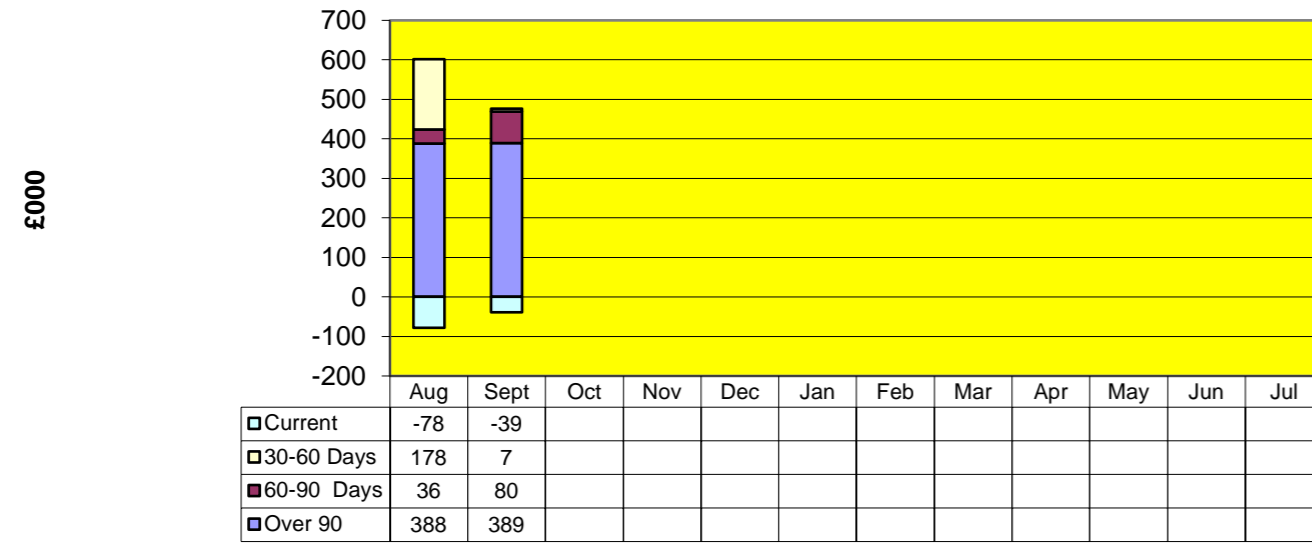
Month September

Report Para.	Actual AUGUST	Actual SEPT	Forecast OCT	Forecast NOV.	Forecast DEC	Forecast JAN	Forecast FEB	Forecast MARCH	Forecast APRIL	Forecast MAY	Forecast JUNE	Forecast JULY	TOTAL	Budget	Variance	Movement since LM
Income																
Grants	899	899	1,109	1,109	1,027	1,027	1,027	1,027	1,284	1,202	1,202	1,027	12,839	12,838	1	1
Unitary Charge Funding	436	387	387	387	387	387	387	387	387	387	389	389	4,697	4,699	(2)	(2)
Student Support Funds	115	230	230	233	140	271	189	254	206	209	113	19	2,209	2,209	0	0
Fees	111	26	400	450	281	281	281	281	281	281	281	164	3,118	3,134	(16)	(16)
SDS Training Contracts			78	53	63	43	56	97	45	72	69	56	632	638	(6)	(6)
Other Income	133	189	163	210	163	185	270	228	142	250	46	200	2,179	2,171	8	8
Deferred Grant	62	62	62	63	63	63	63	63	63	63	63	63	753	753	0	0
	1,756	1,793	2,429	2,505	2,124	2,257	2,273	2,337	2,408	2,464	2,163	1,918	26,427	26,442	(15)	(15)
Expenditure																
Staff	1,107	1,125	1,160	1,163	1,239	1,214	1,180	1,219	1,248	1,122	1,214	1,252	14,243	14,246	3	3
Other Staff	9	15	19	21	16	13	7	21	10	32	8	25	196	196	0	0
Property	54	127	92	88	102	110	110	88	95	88	88	88	1,130	1,126	(4)	(4)
Unitary Charge	341	321	345	345	345	345	345	345	345	345	345	345	4,112	4,184	72	72
Transport	6	3	6	7	7	7	6	12	11	9	6	6	86	83	(3)	(3)
Supplies and Services	274	298	368	301	298	264	333	373	306	397	125	301	3,638	3,644	6	6
Student Support Funds	19	200	249	223	334	246	269	214	170	205	100	4	2,233	2,209	(24)	(24)
Depreciation	153	153	153	153	153	153	153	153	153	153	153	153	1,836	1,836	0	0
	1,963	2,242	2,392	2,301	2,494	2,352	2,403	2,425	2,338	2,351	2,039	2,174	27,474	27,524	50	50
Net Operational Surplus (Deficit)	(207)	(449)	37	204	(370)	(95)	(130)	(88)	70	113	124	(256)	(1,047)	(1,082)	35	35
Net depn	(91)	(91)	(91)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(90)	(1,083)	(1,083)		

Debtors

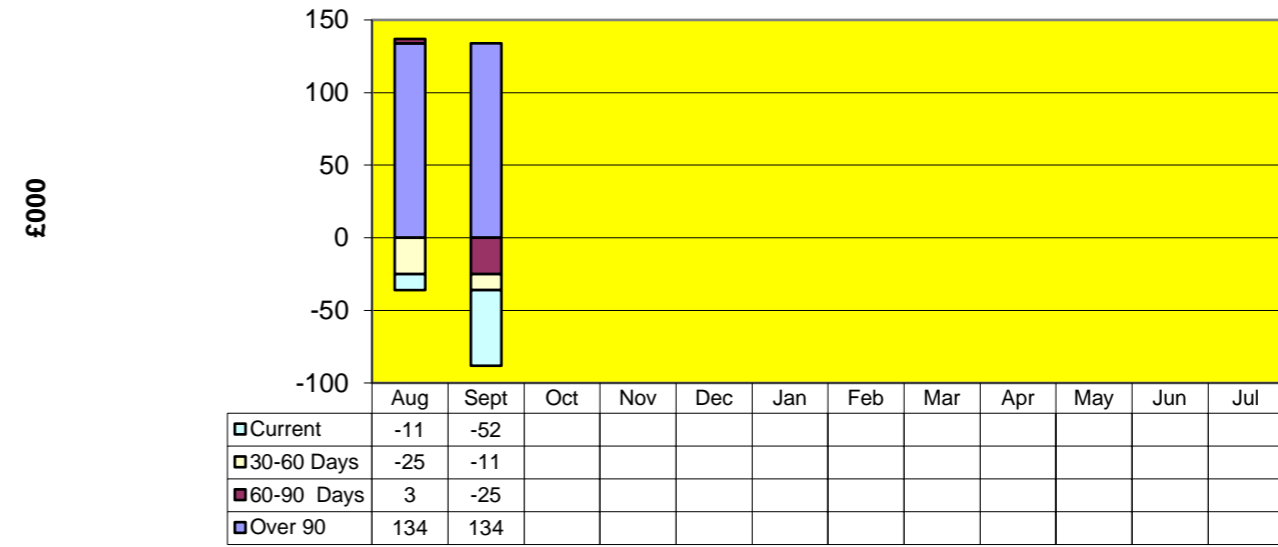
Year 2017/18
Month September

Business Debt



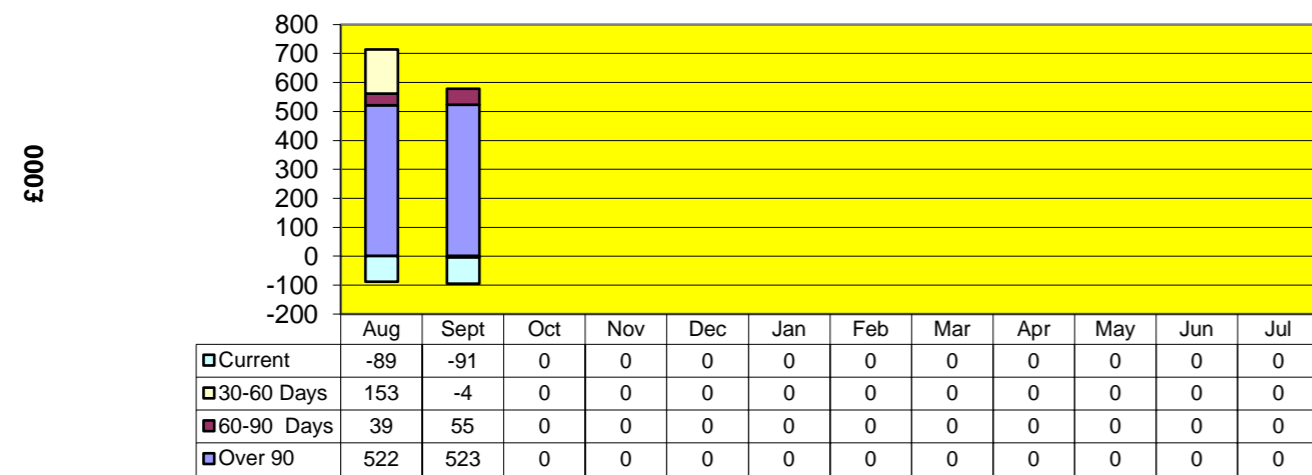
Month

Student Debt



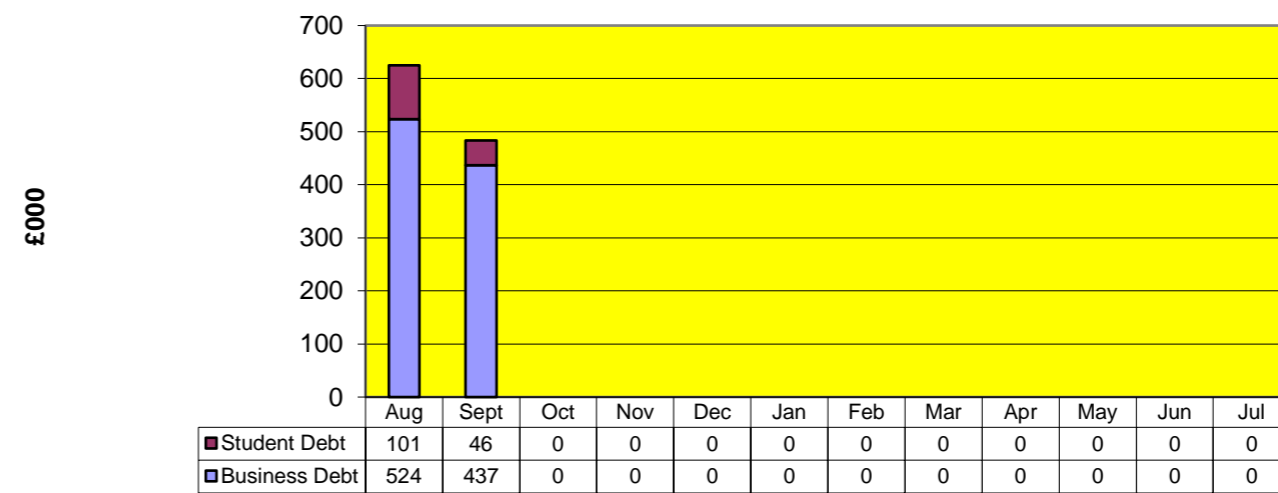
Month

Total Debt



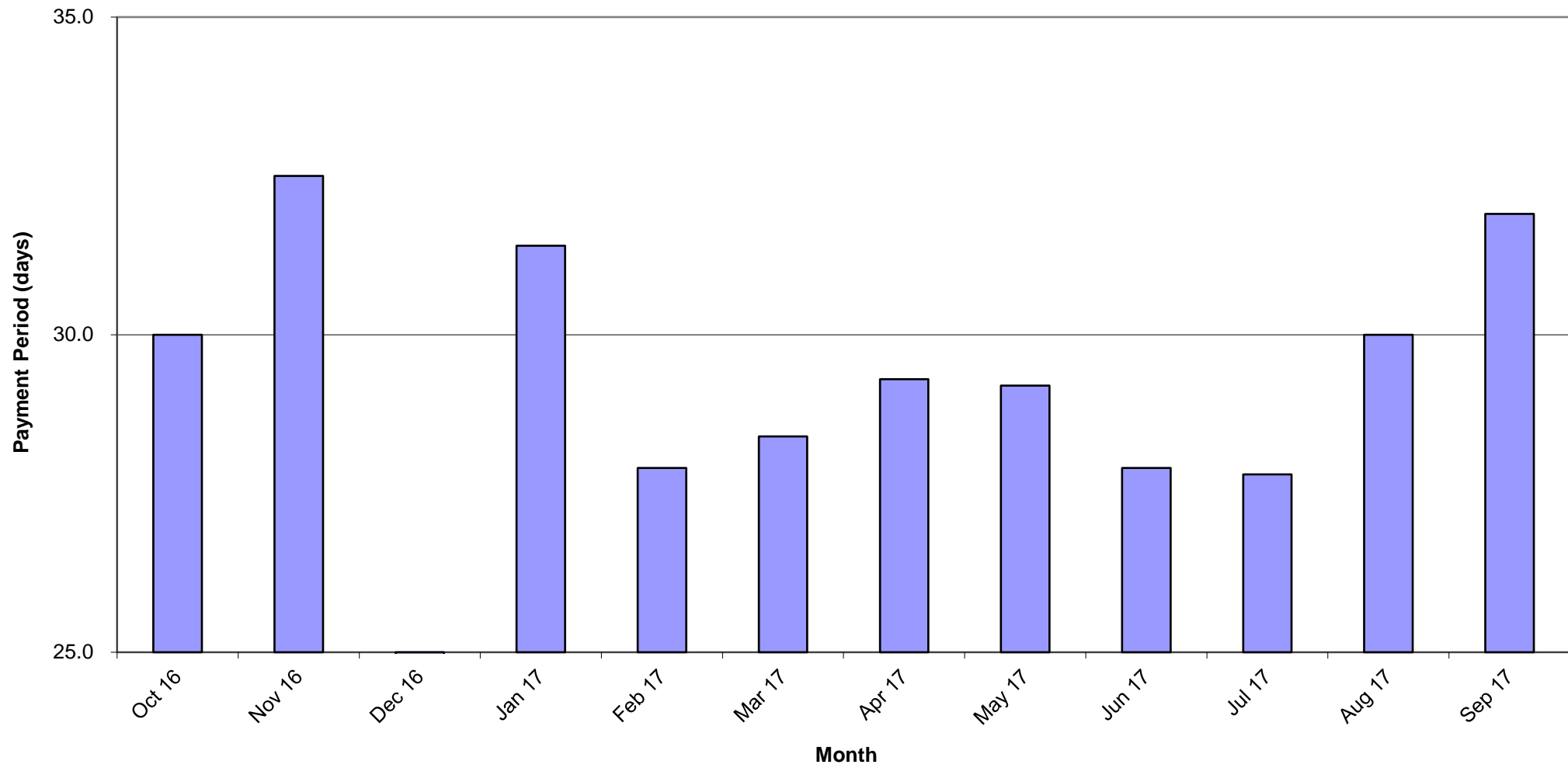
Month

Total Debt



Month

Creditor Payment Periods (based on sampling monthly payment runs)



Inverness College

Year 2016/17
 Month September 2016

Income and Expenditure Report

	Year End		
	Forecast	Budget	Variance
Income			
Grants	12,664	12,669	(5)
Unitary Charge	4,687	4,635	52
Student Support Funds	2,224	2,224	0
Fees	3,143	3,143	0
Project Funding	402	400	2
Other Income	2,404	2,404	0
Deferred Grant	2,119	2,119	0
	<u>27,643</u>	<u>27,594</u>	<u>49</u>
Expenditure			
Staff	13,817	13,757	(60)
Other Staff	221	282	61
Property	1,186	1,175	(11)
Unitary Charge	4,110	4,114	4
Transport	84	83	(1)
Supplies	3,822	3,780	(42)
Student Support Funds	2,224	2,224	0
Depreciation	2,179	2,179	0
	<u>27,643</u>	<u>27,594</u>	<u>(49)</u>
Net Operational Surplus (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>

Cash Flow Analysis

	Year End		
	Forecast	Budget	Variance
Income			
Recurrent Grant In Aid	7,446	7,446	0
Other Grants	328	328	0
Unitary Charge Grant	4,626	4,626	0
UHI HE Grants	5,174	5,174	0
Fees & Charges	3,025	3,071	(46)
Student Support Funds	2,252	2,224	28
LEC Contracts	392	400	(8)
ESF Funds	-	-	0
Other Income	2,996	2,120	876
	<u>26,239</u>	<u>25,389</u>	<u>850</u>
Expenditure			
Staff	13,841	13,880	39
Pension Costs	96	96	0
Creditors	4,861	4,858	(3)
Unitary Charge Payments	5,017	4,974	(43)
Student Support Funds	2,238	2,260	22
Inter Account Transfers	-	-	0
Other	969	185	(784)
Bank Interest	-	-	0
	<u>27,022</u>	<u>26,253</u>	<u>(769)</u>
Net Income (Expenditure)	<u>(783)</u>	<u>(864)</u>	<u>81</u>
Opening Bank Balance	3,326	3,326	0
Closing Bank Balance	<u>2,543</u>	<u>2,462</u>	<u>81</u>

Board of Management

Subject/Title:	Capital Budget Monitoring as at September 2017
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	Thursday 7 December 2017
Date Paper prepared:	4 December 2017
Brief Summary of the paper:	To provide an update to the committee on the progress against the capital expenditure plan for the year 2017/18. The capital year runs from April to March.
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 	Compliance – adherence to the Financial Memorandum with UHI as RSB, Strategic plan – investment in buildings and equipment
Resource implications:	Yes Expenditure must be contained within the allocated capital budget from SFC/UHI. UHI capital can only be utilised on buildings.
Risk implications:	Yes If yes, please specify: Operational: spend level to be contained within budget, lack of investment has operational impacts Organisational: over/underspend could impact on future budget allocations
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.)			

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Capital Expenditure Plan Monitoring 2017/18 to September 2017

Executive summary

The committee is requested to discuss the capital expenditure plan for 2017/18.

Capital Grant Allocations 2017/18

The capital grant allocations for 2017/18 in shown in the table below.

Grant Funding	2017/18 Allocation
	£
FE Capital and Maintenance Grant	126,846
HE Capital Grant	160,462
Total Capital Grant	287,308

Expenditure	
ICT Equipment	60,000
General Equipment	66,846
Buildings	160,462
Total Planned Expenditure	287,308

The FE capital and maintenance grant funding total allocation to Inverness College UHI is £276,846 for 2017/18. We have allocated this as £150,000 for revenue maintenance and £126,846 for capital expenditure. The FE grant can be used for any items of capital expenditure.

The HE capital allocation of £160,462 includes £14,431 of SFC/BIS capital funding which relates to research areas. The HE capital allocation can only be utilised for buildings infrastructure and is not available for spend on ICT or equipment.

For both FE and HE capital grant, the expectation is that all of the 2017/18 funding must be utilised by 31 March 2018.

Progress of Capital Expenditure

The budget for ICT equipment is £60,000 and has been allocated by the ICT Manager against equipment refresh requirements. This will enable desktop PC replacement and procurement is progressing in line with the spend date of 31 March 2018.

The budget for general equipment is £66,846. This was intended to fund some equipment requirements identified through the operational planning process where these meet the requirement to be classed as capital expenditure. However, it may be possible to meet

these requirements through a bid to the Scottish Colleges Foundation which would then enable this funding to be redirected towards buildings infrastructure.

The budget for buildings is £160,462 and relates to all building capital expenditure including any necessary adjustments to the new campus buildings. Due to difficulties encountered in meeting the extended timescale of 31 July 2017 for two critical building requirements, it was agreed that these projects would be the first call on funding from the 17/18 allocations (wood chip store and tractor shed refurbishment). In addition to this, increased costs associated with some of the projects and further delay on projects that were anticipated to be completed by 31 July 2017 impact the 17/18 allocation.

The final position in relation to costs from the 2016/17 projects amounts to £151,810 which is due against 2017/18. This leaves a balance of £8,652 remaining in the capital budget for buildings. Approval was previously given to progress with the tractor shed refurbishment. This is being taken forward by Procurement and the Estates team but the size of the project is significant and most of the expenditure will fall into 2018/19.

There has as yet been no additional allocation of capital funds in year. However, UHI as the Regional Strategic Body, are monitoring capital expenditure across the colleges to ensure that the allocation is fully committed. Should there be any additional allocations of FE capital forthcoming, there are items that can be progressed quickly to ensure that the opportunity is not lost. Specifically these relate to ICT requirements that would be included in a submission to the Arms Length Foundation for funding.

Board of Management

Subject/Title:	Arms Length Foundation
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	Thursday 7 December 2017
Date Paper prepared:	4 December 2017
Brief Summary of the paper:	To provide an update to the committee on the progress against the capital expenditure plan for the year 2017/18. The capital year runs from April to March.
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 	Compliance – adherence to the Financial Memorandum with UHI as RSB, Strategic plan – investment in buildings and equipment
Resource implications:	Yes ALF funding enables projects to progress
Risk implications:	Yes If yes, please specify: Operational: spend level to be contained within budget, lack of investment has operational impacts 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		
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Arms Length Foundation

Executive summary

The committee is requested to discuss the current position.

Background

On entering into ONS reclassification as a public sector body in 2014, many Colleges elected to transfer reserves to arms length foundations. The purpose of this was to ensure that these funds were retained for use within the sector and not lost back to central government. The SFC facilitated the set-up of the umbrella foundation, the Scottish Colleges Foundation, and we participate in this.

As was previously reported to committee, we have had notification from the solicitor acting on behalf of the Trustees of the Scottish Colleges Foundation that they are considering how to wind up the Foundation.

It was agreed that an options appraisal be undertaken and submitted to committee for review and approval on the best course of action in light of the Trustees decision. This appraisal has not yet been undertaken and further clarification is sought from the Foundation on the details regarding the process they wish to follow, including clarity of timescales.

We will continue to press for further information to enable a considered review to be completed.

Board of Management

Subject/Title:	ICT Services Report (Cyber Resilience)
Author: [Name and Job title]	Lindsay Ferries - Director of Organisational Development
Meeting:	Finance and General Purposes Committee
Meeting Date:	7 December 2017
Date Paper prepared:	20 th November 2017
Brief Summary of the paper:	To provide a high level briefing on impact of the Scottish Government Cyber Resilience Action Plan on the College and the planned response to this.
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 	To ensure that our practice is aligned with national, sector and/or industry recognised standards and best practice, and to our values and commitments Risk Management
Resource implications:	No
Risk implications:	Yes If yes, please specify: Operational: May impact some working practices and make them less user-friendly. For example, password control policies may need strengthening. Organisational: Inability to comply may impact credibility
Equality and Diversity implications:	No
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.			
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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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Cyber Resilience

Executive summary

The Cyber Resilience Public Sector Action Plan is the Scottish Governments response to recent events to allow the Scottish public sector to take full advantage of the benefits of digital technologies while addressing the increasing threats and vulnerabilities. Scottish Government aims to work with public authorities to create a framework of controls and procedures. The aim being that by the end of June 2018, the public sector will contribute towards a safe, secure and prosperous Digital Scotland.

The Action Plan applies to all Scottish public bodies and the Wider Scottish Public Sector. Inverness College UHI as an institution and UHI as the Regional Strategic Body is therefore covered by the action plan.

The work on Cyber Resilience is managed by way of a UHI-wide project with Inverness ICT Services Manager a member of the UHI Cyber Resilience project team.

From an initial review by the project team of the working documents and drafts the actions required across the UHI are achievable. Progress at a local level in meeting these actions will be reported by the ICT Services Manager on a monthly basis to the project team and quarterly to the Audit Committee.

Cyber Resilience Public Sector Action Plan

Key actions from Cyber Resilience Action Plan and impact on the College:

	ACTION	SUMMARY	IMPACT
1	Create a Scottish Public Sector Cyber Resilience Framework:	For all organisations to be cognisant of development of the Framework by the Scottish Government for completion in June 2018	Review UHI wide, and local Information Security policies to ensure the recommendations and guidance in the Framework are in place
2	Governance	Board-level commitment to manage risks arising from cyber threat including regular risk reviews and reporting	UHI risk management in place. Need to review the reporting mechanisms in place from staff responsible for Information Security.
3	CISP Membership	That public bodies responsible for managing their own networks become active participants in the Cyber Security Information Sharing Partnership (CISP), a secure social networking platform to exchange information of cyber security threats and vulnerabilities	None. UHI is already a member of the CISP and any guidance or vulnerability awareness is shared with ICT colleagues across the partnership.

4	Cyber Essentials Certification by the end of October 2018 (with a pre-assessment by March 2018)	<p>Cyber Essentials is an independently provided assurance that critical network controls are in place within an organisation. Those being:</p> <ol style="list-style-type: none"> 1. Boundary firewalls and internet gateways - these are devices designed to prevent unauthorised access to or from private networks, but good setup of these devices either in hardware or software form is important for them to be fully effective. 2. Secure configuration – ensuring that systems are configured in the most secure way for the needs of the organisation 3. Access control – Ensuring only those who should have access to systems to have access and at the appropriate level. 4. Malware protection – ensuring that virus and malware protection is installed and is it up to date 5. Patch management – ensuring the latest supported version of applications is used and all the necessary patches supplied by the vendor been applied. 	<p>This is the core work of the Cyber Resilience project with actions already in place to engage a response partnership wide with funding in place to support this. There is risk of some operational impact from meeting these requirements, such as a more stringent password policy.</p> <p>Inverness UHI, working with colleagues from LIS, is looking to complete a Cyber Essentials pre-assessment in Dec / Jan. This will provide a gap analysis of work required across the Partnership next year to gain Cyber Essentials accreditation.</p>
5	Active Cyber Defence Measures	To be aware of, and implement appropriately, the National Cyber Security Centre's Active Cyber Defence measures (ACD)	Low impact. These are external network / internet services that will largely be managed by JaNET (our internet services provided) and / or the UHI wide area network services
6	Training and Awareness Raising	To ensure appropriate training is in place at all levels such as Board members, ICT administrators and staff	Low impact. IC is in a mature state with mandatory training in place for Information Security, but we will need to add periodic updates going forward and increase targeted training.
7	Incident Response	That a response plan is place for cyber incidents. Guidance	IC has an Information Security Incident

ITEM 7

		is to be provided by the end of December 2017 to assist organisation with this.	Management Procedure that will need to be reviewed when this guidance is available
8	Monitoring and Evaluation	Public Bodies will be required to monitor meeting the key criteria of the Framework and report on this at both a working and Board level	None.

Board of Management

Subject/Title:	Campus Services Report (incorporating GTFM)
Author: [Name and Job title]	Lindsay Ferries, Director of Organisational Development
Meeting:	Finance and General Purposes Report
Meeting Date:	7 December 2017
Date Paper prepared:	16 November 2017
Brief Summary of the paper:	To provide the Committee with an outline of the key issues pertaining to the disposal of Longman Site, management of the NPD contract and Campus issues.
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 	Statutory Compliance Risk Management. Strategic Plan – Quality and Continuous improvement.
Resource implications:	Yes If yes, please specify: outlined in paper
Risk implications:	Yes If yes, please specify: outlined in paper
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

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 matters detailed are resolved		

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:	Debt Write Off Report
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	Thursday 7 December 2017
Date Paper prepared:	4 December 2017
Brief Summary of the paper:	To provide the committee with details of the proposed debts to be written off under the delegated authority of the Principal.
Action requested: [Approval, recommendation, discussion, noting]	Noting
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, Risk – ensuring that the College recovers all monies due
Resource implications:	Yes Cash
Risk implications:	Yes If yes, please specify: Operational: impact on cash position Organisational:
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

ITEM 9

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

Debt Write Off as at November 2017

Executive summary

To provide the information to the Finance & General Purposes Committee of the debtors listed in appendix 1 which have been written off. All the debts have been through both the College debt collection processes and the debt collection agents, where appropriate, and are now deemed to be irrecoverable. A provision is in place within the accounts to cover these write-offs.

Debts to be written off

As part of the regular review of the debtors ledger, this is the latest report highlighting debts which, having gone through both the College's recovery procedures and the College's debt recovery agents Scott & Co (where appropriate), have been identified as not being recoverable.

The debtors are listed in appendix 1 of this report, amounting to £8,504.74 and they mainly relate nursery fees, tuition fees, reclaim of overpaid bursary and fees for unreturned books, which are now uncollectible.

Where the debt relates to a student, the student's record within SITS (the student records system) has a financial clearance flag placed on it. This prevents the student from completing the online enrolment process and requires intervention from College staff. Depending on the value and nature of the debt involved, the College may agree an instalment plan or require the student to clear the debt in full before allowing enrolment to be completed. This process is replicated across the UHI partnership and is effective in ensuring that students cannot access services at other institutions within the partnership that they are unable to pay for.

The debtors for this and future reports have been fully provided for from the bad debt provision included in the 2016/17 accounts.

It should be noted that approval for the write-off of debtors is only required from Finance & General Purposes Committee for amounts over £3,000 (the amount was previously £7,500 but this was decreased from 1 April 2014 due to the college now being within the public sector). Individual amounts under £3,000 can be written-off by the Principal under delegated authority.

On this note, it should be pointed out that there is an aggregate write off in relation to a former customer of the nursery amounting to £3,772.40. This relates to a number of individual invoices for a student who was not funded.

Write off List November 2017

INVOICE DATE	INVOICE NO	AGE OF DEBT - DAYS	BALANCE	TYPE OF DEBT	COLLEGE STATUS	FURTHER INFO
21/12/2016	349384		348 £	21.99 books	Not financially viable to send to debt collector	
07/12/2016	349278		362 £	24.99 books	Not financially viable to send to debt collector	
11/11/2016	349174		388 £	26.95 books	Not financially viable to send to debt collector	
11/11/2016	349163		388 £	32.97 books	Not financially viable to send to debt collector	
11/11/2016	349169		388 £	37.99 books	Not financially viable to send to debt collector	
21/12/2016	349371		348 £	44.99 books	Not financially viable to send to debt collector	
21/12/2016	349370		348 £	53.49 books	Not financially viable to send to debt collector	
26/05/2015	346947		923 £	434.52 bursary	Collection Activity Exhausted	
22/12/2016	349391		347 £	85.51 bursary	Not financially viable to send to debt collector	
26/05/2015	346947		923 £	95.94 bursary	Student deceased	
03/11/2014	346062		1127 £	236.00 nursery	Collection Activity Exhausted	
03/12/2014	346195		1097 £	360.00 nursery	Collection Activity Exhausted	
23/09/2015	347291		803 £	404.00 nursery	Collection Activity Exhausted	
06/10/2015	347359		790 £	303.00 nursery	Collection Activity Exhausted	
05/11/2015	347490		760 £	505.00 nursery	Collection Activity Exhausted	
05/11/2015	347535		760 £	520.00 nursery	Collection Activity Exhausted	
08/12/2015	347613		727 £	342.00 nursery	Collection Activity Exhausted	
15/01/2016	347752		689 £	733.40 nursery	Collection Activity Exhausted	
03/02/2016	347879		670 £	965.00 nursery	Collection Activity Exhausted	
13/05/2014	345397		1301 £	90.00 nursery	Not financially viable to send to debt collector	remaining balance
05/11/2015	347533		760 £	31.00 nursery	Not financially viable to send to debt collector	remaining balance
06/10/2016	348943		424 £	246.00 nursery	Student deceased	
28/10/2016	349041		402 £	492.00 nursery	Student deceased	
08/11/2016	349158		391 £	492.00 nursery	Student deceased	
09/12/2016	349352		360 £	348.50 nursery	Student deceased	
16/12/2016	13013668-003		353 £	3.00 tuition fees	Not financially viable to send to debt collector	remaining balance
16/12/2016	13020119-001		353 £	3.00 tuition fees	Not financially viable to send to debt collector	remaining balance
15/12/2016	05009104-001		354 £	3.00 tuition fees	Not financially viable to send to debt collector	remaining balance
15/12/2016	09010836-004		354 £	3.00 tuition fees	Not financially viable to send to debt collector	remaining balance
17/11/2016	10003375-006		382 £	3.00 tuition fees	Not financially viable to send to debt collector	remaining balance
15/12/2016	12008916-001		354 £	3.00 tuition fees	Not financially viable to send to debt collector	remaining balance
15/12/2016	14015550-001		354 £	3.00 tuition fees	Not financially viable to send to debt collector	remaining balance
15/12/2016	14015552-001		354 £	3.00 tuition fees	Not financially viable to send to debt collector	remaining balance
16/12/2016	07016616-001		353 £	3.00 tuition fees	Not financially viable to send to debt collector	remaining balance
16/12/2016	14016931-003		353 £	3.00 tuition fees	Not financially viable to send to debt collector	remaining balance
14/10/2015	035417-001		782 £	2.00 tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	06008164-001		385 £	2.00 tuition fees	Not financially viable to send to debt collector	remaining balance
02/12/2016	07006912-005		367 £	2.00 tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	16013723-001		385 £	2.00 tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	16019943-001		385 £	2.00 tuition fees	Not financially viable to send to debt collector	remaining balance
22/07/2015	05022383-007		866 £	645.00 tuition fees	Student not funded by SAAS	academic year 2013/2014
09/12/2016	16018284-001		360 £	1.50 tuition fees	Not financially viable to send to debt collector	
14/11/2016	10003352-001		385 £	2.00 tuition fees	Not financially viable to send to debt collector	
22/12/2016	15014702-001		347 £	65.50 tuition fees	Not financially viable to send to debt collector	
09/12/2016	16013900-001		360 £	80.50 tuition fees	Not financially viable to send to debt collector	
08-Nov-16	020068-001		391 £	85.00 tuition fees	Not financially viable to send to debt collector	
14/11/2016	08009299-006		385 £	86.00 tuition fees	Not financially viable to send to debt collector	
14/11/2016	11014644-002		385 £	86.00 tuition fees	Not financially viable to send to debt collector	
25/02/2016	13009866-005		648 £	86.00 tuition fees	Not financially viable to send to debt collector	
09/12/2016	019448-007		360 £	100.00 tuition fees	Not financially viable to send to debt collector	
08/11/2016	14011554-003		391 £	100.00 tuition fees	Not financially viable to send to debt collector	
09/12/2016	15000169-001		360 £	100.00 tuition fees	Not financially viable to send to debt collector	
08/11/2016	16016141-001		391 £	100.00 tuition fees	Not financially viable to send to debt collector	

Total £ 8,504.74

BREAKDOWN C TOTAL VALUE	% OF DEBT
TUITION FEES	£1,577.50 18.55%
BURSARY	£615.97 7.24%
BOOKS	£243.37 2.86%
NURSERY	£6,067.90 71.35%
EQUIPMENT	£0.00 0.00%
OTHER / EVENT	£0.00 0.00%
TOTAL	£8,504.74 100%

Board of Management

Subject/Title:	Cole Report
Author: [Name and Job title]	Lindsay Ferries - Director of Organisational Development Fiona Ambrose, Secretary to the Board
Meeting:	Finance and General Purposes Committee
Meeting Date:	7 December 2017
Date Paper prepared:	29 November 2017
Brief Summary of the paper:	The Education and Skills Committee recently published its report on Infrastructure following its consideration of the report into the collapse of a wall at Oxgangs Primary School and subsequent closure of 17 schools. The report contains recommendations which are relevant to the sector. The action with the College is taking is outlined in the report.
Action requested: [Approval, recommendation, discussion, noting]	Noting
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 with Scottish Parliament Education & Skills committee request
Resource implications:	No
Risk implications:	Yes If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	With Scottish Futures Trust on how the College should respond on this matter given that the New Campus buildings were built under an NPD contract.

Status – [Confidential/Non confidential]	Non Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
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Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
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Cole Report

Executive Summary

Following the collapse of a wall at Oxfangs Primary School and subsequent closure of 17 schools the Government tasked Professor John Cole CBE with the preparation of an independent report (the Cole Report). The Education and Skills Committee has published its report on Infrastructure and has made a number of recommendations.

Background

The Education and Skills Committee recently published its [report](#) on Infrastructure. The report contains the following recommendations which are relevant to the sector:

- *The Committee recommends that Scottish Government ensures that every devolved public body in Scotland studies the [Cole Report](#) in detail and reviews their own estates in light of its findings.*
- *Specifically in the post-16 education sector, the Committee seeks confirmation from the Scottish Funding Council (SFC), along with Colleges Scotland and Universities Scotland, that their sectors are fully aware of the findings of the Cole Report and that they have taken appropriate actions to ensure that the college and university estates across Scotland are safe, including halls of residence.*
- *The Committee requests an update on this work from the SFC, Colleges Scotland, Universities Scotland and the Scottish Council of Independent Schools (SCIS) by the end of 2017 to confirm they have studied the Cole Report and are implementing its recommendations.*

Actions taken by Inverness College

Contact has been made with SFT for further advice regarding the Cole Report recommendations and NPD projects. In particular, any consideration to the recommendations at the operational stage of the construction project.