

Board of Management

Meeting	Board of Management
Date and time	Tuesday 25 June 2019 at 3.30 p.m.
Location	Room 202, 1 Inverness Campus

College Secretary
19 June 2019

AGENDA

Welcome and Apologies

Declarations of Interest

PRESENTATION by Roddy Henry, Depute Principal Planning and Student Experience on the **DASHBOARD (15)**

ITEMS FOR DECISION

1. **MINUTES (5)**
Meeting of the Board of Management – 21 March 2019
2. **OUTSTANDING ACTIONS (5)**
Action List
3. **GOVERNANCE MATTERS FOR BOARD APPROVAL (10)**
 - a. **Appointment of Secretary to the Board of Management**
Verbal report by Chair
 - b. **Appointment of Support Staff Member to the Board of Management**
Report by Board Secretary
 - c. **Terms of Reference**
Report by Board Secretary
 - d. **Lease Agreement – Inverness - Wasps Studio, Midmills, Inverness**
Report by Director of Organisational Development

4. (R) MATTERS FROM LEARNING, TEACHING AND RESEARCH COMMITTEE HELD ON 4 JUNE 2019 FOR BOARD APPROVAL (5) Single Policy Environment – FE Academic Appeals Policy

Extract from Minutes of the Meeting of the Learning, Teaching and Research Committee held on 4 June 2019

5. (R) MATTERS FROM FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 6 JUNE 2019 FOR BOARD APPROVAL (30)

- a. Revenue Budget 2019/20**
- b. Capital Expenditure Plan – 2019/20**
- c. Cleaning Contract (Confidential)**
- d. CITB Contract**

Extracts from Minutes of the Meeting of the Finance and General Purposes Committee held on 6 June 2019

ITEMS FOR DISCUSSION

6. ANNUAL EVALUATION EXERCISE - BOARD CHAIR (10)

Covering report by Board Secretary

7. PRESENTATION ON CURRICULUM REVIEW (20)

Joint report / presentation by Depute Principal Academic Development and Director of Curriculum

8. DEVELOPMENT PLAN 2018-19 (10)

Joint report by Depute Principal Planning and Student Experience and Board Secretary

9. PRINCIPAL'S REPORT (15)

Report by Principal

10. STUDENT RESIDENCES (10)

Update from Vice Chair of the Board, Sarah Burton following meeting with UHI

11. RISK (15)

a. REGISTER ANNUAL REVIEW

Report by Principal

b. Financial Strategy

Report by Director of Finance

12. PROGRAMME BOARD (10)

Covering report by

13. FERB SELF EVALUATION REPORT (5)

Report by VP FE

14. MINUTES OF MEETINGS OF BOARD COMMITTEES (5) (Confidential)

- a. Longman Disposal Project Board – 26 March 2019**
- b. Performance, Review and Remuneration Committee – 5 April 2019**

- c. Longman Disposal Project Board – 30 April 2019
 - d. New Campus Project Board – 30 April 2019
 - e. Chairs Committee – 16 May 2019
 - f. Search and Nomination Committee – 16 May 2019
 - g. Audit Committee - 28 May 2019
 - h. Longman Disposal Project Board – 28 May 2019
 - i. Learning, Teaching and Research Committee – 4 June 2019
 - j. Finance and General Purposes Committee – 6 June 2019
-

ITEMS FOR NOTING

15. AOCB

16. DATE AND TIME OF NEXT MEETING

October 2019 at 3.30 p.m.

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

Board of Management

MINUTES of the MEETING of the BOARD OF MANAGEMENT held in room 202, 1 Inverness Campus on Thursday 21 March 2019

PRESENT: Sarah Burton, Andy Gray, Brian Henderson (by VC), Robyn Kennedy, Shawna Mackinnon, 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: Hazel Allan, Andrew Bowie, Jaci Douglas

IN ATTENDANCE: Depute Principal
Depute Principal Academic Development
Director of Finance
Head of Curriculum
Head of Research Development
Head of Student Services
Board Secretary

Welcome

The Chair welcomed Michael Foxley, Chair of FERB to the meeting. He also welcomed Andrew Brawley, Education Scotland who would be making a presentation on the EREP process.

Declarations of Interest

The Chair referred to a potential conflict of interest in respect of Fiona Neilson being a partner with Harper Macleod LLP. This was currently being considered.

Carron McDiarmid – Items 5a, 5b, 5c, 6a, 6b, 7f, 8a, 11 & 13b

Steve Walsh - Items 5a, 5b, 5c, 6a, 7f, 8a, 11 & 13b

Presentation by Andrew Brawley, Education Scotland

Fiona Neilson entered the meeting during the presentation.

Mr Brawley provided some background to the 2017-18 evaluative report and enhancement plan process and confirmed that Inverness College had received one of the highest grade profiles in the sector, with two “very good” and one “excellent” rating. He referred to the quality of the evaluative report and the clear and detailed KPI presentation and to the SMART actions which had been drawn up within the enhancement plan to address the required improvements. He outlined the next steps which would include a progress visit during 2019-20 as well as the role of Education Scotland going forward.

The Board Members asked a number of questions and expressed their thanks to the Depute Principal and all other staff who had been involved in the writing of the high quality report.

The Chair advised that he wished to remove item 8a from the agenda – Sports Pitch Business Case - as further developmental work was required before Board approval was sought. This was agreed.

1. MINUTES

The Minutes of the Meeting of the Board of Management held on 18 December 2018 were **AGREED** as a correct record, were **APPROVED** and were signed by the Chair.

2. OUTSTANDING ACTIONS

GDPR

The Chair advised that two board members had still to complete the GDPR and Information security training modules and asked that this be done as a matter of urgency.

Risk

The Principal confirmed that he would raise the issue of mapping and recognising partnership wide risks which were out with the control of the College, at a meeting prior to Partnership Council

Student residences

Instead of requesting that an external audit of the residences be undertaken, the Chairs of Learning, Teaching and Research and Finance & General Purposes would meet with the Head of Governance and Records Management at UHI on 25 April to gain a better understanding of all the issues which needed to be addressed

UHI common policy environment

The Principal had spoken to Diane Rawlinson, Vice Principal Further Education and the process would be adapted to include board input before the final approval stage.

3. GOVERNANCE – COMMITTEE MEMBERSHIP AND APPOINTMENT OF VICE CHAIR AND CO-OPTED MEMBER OF LEARNING, TEACHING AND RESEARCH COMMITTEE

A report by the Board Secretary advised that Sarah Burton had been appointed to the vacant positions on the Longman Disposal and New Campus Project Boards and Tom Speirs had been appointed as Vice Chair of the Learning, Teaching and Research (LT&R) Committee. Tina Stones, had been appointed as a co-opted member of the LT&R Committee

The Board of Management **RATIFIED** the foregoing appointments.

4. HEALTH AND SAFETY POLICY AND STATEMENT – ANNUAL REVIEW

The Audit Committee, at its meeting on 26 February 2019 had considered the health and safety policy and statement. There were no changes to the current policy or statement which had been approved in March 2019.

The Board of Management **APPROVED** the health and safety policy and statement, which would be signed by the Chair and Principal, but subject to consideration of a number of points raised, including whether the policy name should be amended to Health and Safety and Welfare, reviewing whether targets were in place for objectives and the possible inclusion of

LOLER regulations (relating to lifting operations and equipment) within the legislative section.

5. A. EARLY LEARNING AND CHILDCARE POLICY

The Human Resources Committee, at its meeting on 28 February 2019 had considered the new early learning and childcare policy which had been through the college approvals process. The Human Resources Committee had asked that reference to supporting equalities duties be included.

The Board of Management **APPROVED** the early learning and childcare policy.

B. EQUALITY ACT 2010 - EQUALITY OUTCOMES ANNUAL REPORT

The Human Resources Committee, at its meeting on 28 February 2019 had considered the equality outcomes annual report and had recommended it to the Board for approval.

There was uncertainty as to whether the most up to date report had been circulated with the board papers. The Board Secretary would review and circulate the correct version of the report if required, seeking approval from Board Members.

C. LOCAL GOVERNMENT PENSION SCHEME EMPLOYER DISCRETIONARY POLICY

The Human Resources Committee, at its meeting on 28 February 2019 had considered the Local Government pension scheme employer discretionary policy. No changes had been proposed.

The Board of Management **APPROVED** the Local Government pension scheme employer discretionary policy.

6. CORPORATE PARENTING PLAN

The Learning, Teaching and Research Committee at its meeting on 5 March 2019 had considered the corporate parenting annual report for the period 2017-18 and asked for a number of amendments, which had now been incorporated.

The Board of Management **APPROVED** the corporate parenting annual report for 2017/18

7. A. MARKETING AND COMMUNICATIONS POLICY

The Finance and General Purposes Committee, at its meeting on 7 March 2019 had considered the new marketing and communications policy and asked for a number of amendments, which had now been incorporated.

The Board of Management **APPROVED** the marketing and communications policy.

B. PROPOSED FEES FOR 2019/20

The Finance and General Purposes Committee, at its meeting on 7 March 2019 had considered the proposed 2019-20 FE tuition and early learning and childcare centre (ELCC) fees. The Committee had asked for additional information to be made available for the Board.

The Board of Management **APPROVED** the FE tuition fees and the fees for the ELCC for 2019/20

C. FINANCE SYSTEM

The Finance and General Purposes Committee, at its meeting on 7 March 2019 had discussed the delays to the new Finance System being developed by TechnologyOne and considered the proposal that the college adopt an interim solution, namely that the existing SUN system be upgraded to the latest available version of SUN 6.3. The Committee had asked for additional information to be made available for the Board

The Board of Management **AGREED**, that as an interim solution, the SUN system be upgraded to the latest available version of SUN 6.3.

The Board requested that its concerns regarding the risks associated with the TechnologyOne contract be reflected in the risk register, that lessons learned needed to be documented, including the resource costs within Inverness College and across the partnership as a result of the delays in development of the new system by TechnologyOne.

The Principal advised that UHI were looking for a consultant to start a scoping exercise for a new partnership wide intranet system but there was no clarity on the procurement process which would be followed. He confirmed that he would raise this issue at a meeting of the Partnership Council.

D. FINANCE STRATEGY

The Finance and General Purposes Committee, at its meeting on 7 March 2019 had acknowledged the considerable volume of work which had been undertaken in reviewing the finance strategy and considered the revised version. The Committee had asked for some minor amendments to be made and these had now been incorporated.

During discussion it was suggested that reference to Brexit and to the Government white paper on immigration be included within the context of the strategy.

The Board of Management **APPROVED** the Finance Strategy subject to the Principal giving consideration to whether it was appropriate that reference to Brexit and the Government white paper on immigration should be included.

E. ALF SUBMISSION

The Finance and General Purposes Committee, at its meeting on 7 March 2019 had considered the submissions which had been made to, and approved by the Scottish College's Foundation. The Committee had asked that some additional information relating to the decision of the Foundation be included for the Board.

The Board of Management retrospectively **APPROVED** the list of bid submissions to the Scottish College's Foundation.

F. CITB CONTRACT ISSUE

The Finance and General Purposes Committee, at its meeting on 7 March 2019 had considered a report which explained that CITB was the main provider for Construction Modern Apprenticeships (MAs) in Scotland. CITB undertook the employer engagement activity and Colleges delivered the Modern Apprenticeship qualifications (as sub-contractors). CITB did not undertake any training delivery under its contract with Skills Development Scotland. Colleges Scotland was currently seeking legal advice on the terms of the new CITB contract.

The position was changing rapidly and the Director of Business Development had provided a further update since that meeting and the Principal advised that agreement had just been reached with a contractor to move 7 CITB contracts to Inverness College.

The Board of Management endorsed the position which had been taken by the SMT and **AGREED** that further updates be provided to the Finance and General Purposes Committee

8. A. BOARD DEVELOPMENT PLAN 2018-19

A report by the Board Secretary advised that following the Board evaluation exercise facilitated by the Director of Organisational Development and consideration of the required actions at the Board Away day on 25 January 2019, a development plan for 2018-19 had been drawn up.

The Board of Management **APPROVED** the 2018-19 board development plan.

B. SCHEDULE OF MEETINGS AND EVENTS 2019-20

The Chairs Committee, at its meeting on 12 March, had considered the schedule of meetings and events for 2019-20. The Chair advised that he was conscious of the significant volume of business which was referred from the standing committees to the Board of Management for approval. He was concerned that there was not sufficient time given for meaningful discussion on a range of key issues across the college and had requested that an additional Board of Management meeting be added to the annual schedule to allow such discussion to take place. He also advised that it was his intention to review the delegated authority of the standing committees

The Board of Management **APPROVED** the schedule of board meetings for 2019/20, which included an extra Board of Management meeting in February 2020 and **AGREED** that Chairs would discuss with their committee members whether or not there was a consensus to move the time of the meetings to late afternoon and also to determine the views of SMT members who might be required to attend meetings out with normal college working hours.

Helen Miller left the meeting

9. PROGRAMME BOARD - GOVERNANCE AND ACCOUNTABILITY WORKING GROUP

A covering report by the Board Secretary made reference to a video by Garry Campbell, Vice President, Strategic Developments and to a report by the Programme Board Director in relation to governance and decision making processes across the partnership.

The Board of Management **AGREED** with the statement “that the arrangements for governance and decision making are impeding our ability to operationally deliver regionally” and requested the Principal to prepare a response which provided evidence that although the structure was challenging, it was the decision making which lacked transparency and caused complications.

10. COLLEGE GOVERNANCE – MINISTERIAL ANNOUNCEMENT

A report by the Board Secretary referred to the Ministerial announcement following the Good Governance Consultation in April/May 2017. The Good Governance Steering Group was working with the Scottish Government to implement the changes identified and Colleges Scotland would in turn keep colleges updated as developments unfolded.

The Chair referred to the decision to remunerate the incorporated, assigned college chairs. He advised that he would not accept a remuneration during the term of his appointment.

The Board of Management **NOTED** the decisions within the ministerial announcement.

11. PRINCIPAL’S REPORT

A report by the Principal provided an overview of new and continuing activity including

- the trip to Ghana and Nigeria which included meetings with agents and schools
- information on the two Nigerian Government trusts
- the proposed new structure
- the work of the programme board
- the Education Scotland rating
- highlighting a range of achievements across the college

The Board of Management **NOTED** the report

12. WORKFORCE PLANNING ACTIVITIES

A report by the Director of Organisational Development provided an outline of the key areas of focus in light of workforce planning going forward.

The Board of Management **AGREED** that the workforce planning report be updated for the next Board Meeting to show how all the work which had been carried out came together and that the Depute Principal Academic Development and the Head of Curriculum would make a presentation on the curriculum review

Fiona Neilson declared an interest in item 13f.

13. DRAFT MINUTES OF MEETINGS OF BOARD COMMITTEES

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

- a) New Campus Project Board – 25 January 2019
- b) Longman Disposal Project Board – 29 January 2019
- c) Audit – 26 February 2019
- d) Longman Disposal Project Board – 26 February 2019
- e) New Campus Project Board – 26 February 2019
- f) Human Resources – 28 February 2019
- g) Learning, Teaching and Research – 5 March 2019
- h) Finance and General Purposes – 7 March 2019
- i) Chairs – 12 March 2019
- j) Search and Nomination – 12 March 2019

The Chair referred to the meeting of the Search and Nomination Committee and the discussion on succession planning and **REQUESTED** that the report showing end of term dates be circulated to all Board Members.

Items 14 – 17 were included in the agenda for noting only and therefore no discussion took place at the meeting.

14. DRAFT OSCR RETURN

A report by the Director of Finance presented the draft annual OSCR return.

15. QUALITY CONVERSATION

A report by Charles McDade presented the findings of the quality conversation and review which had been undertaken last year.

16. 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 March.

17. LEGAL SERVICES CONTRACT

A report by the Director of Organisational Development provided details of the new legal services contract with Anderson Strathern.

18. DATE AND TIME OF NEXT MEETING

Tuesday 25 June 2019 at 3.30 p.m.

Signed by the Chair: _____

Date: _____

Board of Management – List of Outstanding Actions

11 October 2018				
Item	Action	Responsibility	Time line	Actioned
KPI's	Financial KPI's be shown as percentage changes rather than absolute figures	Director of Finance	Oct 2019 report	
21 March 2019				
GDPR	Complete information security and GDPR training modules 2 members to complete	2 x members HA and SW	immediate	
Risk	Raise the issues of partnership wide risks and mitigation and the need for consistency of approach at a meeting prior to Partnership Council	Principal	Next PC meeting - 3 April	
Student Residences	Meeting with Head of Governance and Records Management UHI to gain a better understanding of all the issues which needed to be addressed.	Chairs of LT&R and F&GP	25 April Rescheduled 15 May	Meeting held
Equality Act	Review paper which was submitted to Board and if necessary circulate to board members seeking approval	Board Secretary/D of Org Dev	By 5 April	Complete and published
Finance System	Concerns regarding the risks associated with the TechnologyOne contract be reflected in the risk register	D of F	By Mid June	
	lessons learned needed to be documented, including the resource costs within Inverness College and across the partnership as a result of the delays in development of the new system by TechnologyOne.	D of F	By Mid June	
Intranet	Seek clarity of procurement process for new partnership wide intranet system	Principal	PC meeting – 3 April	
Finance Strategy	Give consideration as to whether reference to Brexit and Govt white paper on immigration should be included	Principal	Immediate	Completed and published

CITB	Further updates to F&GP	D of BD	June 2019	Complete - Report submitted
Development Plan	Actions to be taken forward	Depute Principal / Board Secretary	By mid June 2019	Complete - Included on Agenda
Schedule of Meetings	Discussion on timings of committee meetings	Chairs	By end April	Complete - 2019/20 schedule published
	Review delegated authority of standing committees	Chair of the Board	By mid May end August for Sept Chairs	
Workforce Planning	workforce planning report be updated to show how all the work which had been carried out came together	Dir of OD	For next Board meeting - June	
	Presentation to next Board meeting on curriculum review	Dep Principal AD and H of C	For next Board meeting - June	Complete – on agenda
Succession Planning	Report to be circulated to Board Members showing end of term dates	Board Secretary	By end March	Complete - 2 April 2019

Board of Management

Subject/Title:	Governance <ul style="list-style-type: none"> a. Appointment of Secretary to the Board of Management b. Appointment of support staff member to the Board of Management c. Terms of Reference (TOR)
Author: [Name and Job title]	Fiona Ambrose, Board Secretary
Meeting:	Board of Management
Meeting Date:	25 June 2019
Date Paper prepared:	17 June 2019
Brief Summary of the paper:	<p>The Board of Management is responsible for the appointment of the Secretary to the Board of Management. The Chair will report on the recruitment of Erin Grant.</p> <p>Following the election process - appointment of Kelly Mackenzie as the Support Staff Member on the Board of Management and her appointment as a member of Learning, Teaching and Research (LT&R) and Finance and General Purposes (F&GP) Committees.</p> <p>Two year review of the Terms of Reference. Board to consider its own TOR and the recommended amendments made by a number of committees.</p>
Action requested: [Approval, recommendation, discussion, noting]	<p>Formally ratify the appointment of Erin Grant to the position of Secretary to the Board of Management.</p> <p>Formally ratify the appointment of Kelly Mackenzie to the position of Support Staff Member on the Board of Management and as a member of the LT&R and F&GP Committees</p> <p>Approve, as applicable, the amendments to a number of Committee TOR.</p>
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services 	

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

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

GOVERNANCE

Appointment of Support Staff Member to the Board of Management

A process was held over the period 8 May to 14 June to elect the Support Staff Member to the Board. The process followed the Good Practice guide for election of staff members to boards, approved by the Board of Management in March 2017.

Two nominations for the position were received and the online ballot opened on 29 May and closed on 14 June 2019.

The results of the ballot were as follows

Kelly Mackenzie	58
Helen Miller	20

The Board of Management are asked to formally ratify the appointment of Kelly Mackenzie as the Support Staff member on the Board of Management for a 4 year period from 1 August 2019.

Terms of Reference (TOR)

The terms of reference of the Board of Management and all Committees were reviewed in 2017. Each of the Committees during the currently cycle, or by e mail request, has considered its own TOR and have recommended a number of minor amendments to the Board for approval. The exception is the Human Resources Committee as that meeting has been reschedule and will meet on 26 June.

The Board of Management is asked to

1. consider the Board of Management Terms of Reference (which are based on the Model terms of reference which were provided by the Sector) and consider whether any changes are required.
2. approve the amendments recommended by the following Committees
 - New Campus Project Board
 - Longman Disposal Project Board
 - Chairs
 - Search and Nomination
 - Performance, Review and Remuneration

Board of Management Terms of Reference

Membership

The membership of the Board will be as determined by Schedule 2 to the Further and Higher Education (Scotland) Act 1992 as amended by the Post 16 Education (Scotland) Act 2013

Quorum

One half or fifty percent of the actual membership of the Board. Ordinary members must be in a majority at the meeting.

Frequency of Meetings

The Board shall meet no less than four times each year.

Specific

The Board has responsibility for overseeing the business of the College, determining its future direction and fostering an environment in which the College mission is achieved and the potential of all learners is maximised.

The Board of Management must ensure compliance with the statutes, ordinances and provisions regulating the College and its framework of governance and, subject to these, take all final decisions on matters of fundamental concern to the College.

The following items are retained for approval by the Board, upon advice from or recommendation by the relevant Committee where appropriate and may not be delegated:

Whilst initial discussion or consideration may take place by Committees or individuals, the Board reserves its authority with regard to the undernoted matters:

1. determining the objectives of the Board
2. final approval of the College's Strategic Plan and Regional Outcome Agreement
3. approval of the year-end annual report and accounts
4. approval of the annual budget
5. final consideration of the Annual Audit Report
6. approval of the strategic risk register
7. acquisition and disposal of heritable property, subject to approval of the Scottish Funding Council
8. appointment and removal of the Principal
9. appointment and removal of the Board Secretary (in accordance with paragraph D.13 of the Code)
10. approval of the Students' Association constitution and the election regulations for student officers
11. delegation of functions of the Board including remits of Committees and this Scheme of Delegation
12. the making, amendment and revocation of the Standing Orders of the Board.

New Campus Project Board – Terms of Reference

New Campus Project Board shall continue to conduct business only for so long as is considered necessary after the project has been completed and a post implementation review is provided and reported to the Board of Management.

Membership

Chair of the Board of Management (Chair)
Principal (Project Owner)
Five other Board members*
Chief Operating Officer and Secretary ~~of~~ UHI

*To include one member from the Audit Committee and one member from the Finance and General Purposes Committee

Quorum

Three members entitled to vote upon the items before the meeting.

Frequency of Meetings

The Project Board shall meet ~~not less than four times per year and~~ in accordance with business requirements.

Reporting

The Project Board will provide regular progress reports on the Project to the Audit Committee and Finance and General Purposes Committee as required.

Remit

The New Campus Project Board will monitor progress on the Project on behalf of the Board of Management, provide advice and support to the Project Steering Group as required and make decisions within the Project Board's delegated authority.

Responsibilities

- Overseeing the progress of the Project on behalf of the Board of Management. The Project Board will operate in an advisory capacity and concern itself with the efficient and effective management and organisation of the Project.
- Maintain visible and sustained strategic commitment to the delivery of the Project.
- Appoint the Project Sponsor and approve the key appointments to the Project Team.
- Review reports from the Project Steering Group and Project Manager.
- Oversight of the implementation of the Estates Strategy as it relates to the new campus development.
- Ensure that communication and consultation strategies are in place for the Project.
- Monitor the risk register established for the Project.
- Monitor regular budget reports.
- To consider any necessary changes to the Project and make

recommendations to the Board of Management.

- At each approval gateway, evaluate the business case and investment proposals to ensure that it is satisfied that risks associated with the Project are being managed effectively and that the Project remains affordable. In the event that any gateway review identifies serious deficiencies, difficulties or budget concerns in respect of the Project, the Project Board shall determine the appropriate means of addressing and remedying such serious deficiencies, difficulties or budget concerns.
- Review and scrutinise the performance of each of: the Project Steering Group; the Project Sponsor; the Project Manager; and the Project Team against their respective responsibilities all as set out in the Project Implementation Plan. In the event that the Project Board considers that: the Project Steering Group; the Project Sponsor; the Project Manager; and/or the Project Team have failed to meet any such responsibilities, the Project Board shall determine the appropriate means of addressing and remedying such failure.
- Ensure that a post-implementation review is provided and reported to the Board of Management.

Delegated Authority

The Project Board shall have authority to make commitments on behalf of the Board of Management, including matters that have received Board approval in principle.

This would include specifically, but not exclusively:

- Conclude any contracts of sale or purchase as previously approved by the Board.
- Post the approval of Stage D design, approve any changes that do not fundamentally change the design concept or result in an aggregated potential capital cost over-run compared to Scottish Government NPD Capital cap of more than £100,000 (any such over-runs to be funded from non NPD sources). The cumulative impact of any such changes to be reported to the Board of Management.
- Post the approval of Stage D design, approve any changes that do not fundamentally change the design concept or result in an aggregated potential cost over-run of more than £100,000. The cumulative impact of any such changes to be reported to the Board of Management.

Longman Disposal Project Board –Terms of Reference

The Project Board shall continue to conduct business only for so long as is considered necessary after the project has been completed and a post implementation review is provided and reported to the Board of Management.

Membership

Chair of the Board of Management (Chair)

Principal (Project Sponsor)

Five other Board members*

Chief Operating Officer and Secretary UHI

*To include one member from the Audit Committee and one member from the Finance and General Purposes Committee

Quorum

Three members entitled to vote upon the items before the meeting.

Frequency of Meetings

The Project Board shall meet ~~not less than four times per year and~~ in accordance with business requirements and the project deliverables.

Reporting

The Project Board will provide regular progress reports on the Project to the Audit Committee and Finance and General Purposes Committee as required.

Remit

The Project Board will monitor progress on the Project on behalf of the Board of Management, provide advice and support to the Project Steering Group as required and make decisions within the Project Board's delegated authority.

Responsibilities

- Overseeing the progress of the Project on behalf of the Board of Management. The Project Board will operate in an advisory capacity and concern itself with the efficient and effective management and organisation of the Project.
- Maintain visible and sustained strategic commitment to the delivery of the Project.
- Appoint the Project Sponsor and approve the key appointments to the Project Team.
- Review reports from the Project Steering Group and Project Manager.
- Maintain oversight of the implementation of the Disposal Strategy for the Longman Road site, including any demolitions prior to marketing.
- Ensure that communication and consultation strategies are in place for the Project.
- Monitor the risk register established for the Project.
- Monitor regular budget reports.
To consider any necessary changes to the Project and make recommendations to the Board of Management. In particular, at each approval stage, evaluate the proposed strategy and related actions to ensure that it is

satisfied that risks associated with the Project are being managed effectively and that the Project meets the objective of disposing of the site in a manner that seeks to minimise timescale and maximises receipts. In the event that any review identifies serious deficiencies, risks, difficulties or budget concerns in respect of the Project, the Project Board shall determine the appropriate means of addressing and remedying such serious deficiencies, difficulties or budget concerns.

- Ensure that a post-implementation review is provided and reported to the Board of Management.

Delegated Authority

The Project Board shall have authority to make commitments on behalf of the Board of Management, including but not limited to matters that have received Board approval in principle.

This would include specifically, but not exclusively:

- Confirmation of any demolitions required prior to marketing the site.
- Selection of a preferred bidder following marketing of the site.
- Conclude any contracts of sale or purchase as previously approved by the Board.
- Review and scrutinise the performance of each of: the Project Sponsor; the Project Manager; and the Project Team against their respective responsibilities all as set out in the Project Implementation Plan. In the event that the Project Board considers that: the Project Sponsor; the Project Manager; and/or the Project Team have failed to meet any such responsibilities, the Project Board shall determine the appropriate means of addressing and remedying such failure.

Audit Committee Terms of Reference

Membership

Not less than 5 members of the Board of Management.

At least one member of the Committee should have recent and relevant experience in finance, accounting or auditing.

Board members not eligible for appointment are the Chair of the Board, the Principal, members elected by the teaching and non-teaching staff of the college and the persons appointed by the Students Association.

No member of the Finance and General Purposes Committee shall also be a member of the Audit Committee

The Chair of the Board and the Principal may be invited to attend meetings

Membership of the Committee should satisfy the requirements of the SFC Code of Audit Practice, and / or other appropriate guidance, as may be directed by the Board of Management.

Quorum

Three members of the Committee entitled to vote upon the items before the meeting.

Frequency of Meetings

The Committee will meet no less than four times each year.

Remit

The Committee's remit is to review and monitor the following aspects of the College's operations, and to advise the Board appropriately on:

1. The comprehensiveness, reliability and integrity of assurance of the governance and management of the College.
2. The comprehensiveness, reliability and integrity of assurance of the risk management and business continuity of the College.
3. The comprehensiveness, reliability and integrity of the College's financial management and other internal control and management systems.
4. The effectiveness of arrangements for safeguarding the assets of the College and the public funds at its disposal.
5. The economy, efficiency and effectiveness of the College's activities, including value for money.
6. The effectiveness of the corporate governance and conduct of the College operations.
7. All aspects of the provision of an effective Internal audit service.
8. All aspects of the provision of an effective External audit service

9. The effective provision of Health and Safety arrangements to meet all legislative requirements
10. Public interest disclosure (whistle-blowing) arrangements.
11. Data Protection and Freedom of Information arrangements

Specifically, the Audit Committee shall:

1. Receive updates to and review the contents of the risk register maintained by the College.
2. Review the reports submitted by the College's Internal Auditors and receive progress reports from College Management on the Internal Audit recommendations.
3. Jointly with the Board's Finance and General Purposes Committee review the annual report of the College's external auditors and the associated College financial statements on which that report is based
4. Prepare an annual report for the Board of Management
5. Sit privately without any non-members present for all or part of the meeting if it so decides. The Committee will meet privately with the internal and external auditors at least annually.
6. The Audit Committee shall conduct its business in accordance with the requirements of any guidance and/ or codes of practice issued from time to time by the SFC and/ or any other relevant statutory or regulatory authority, as directed by the Board of Management.

Chairs Committee Terms of Reference

Membership

~~The Chair and Vice Chair of the Board of Management, the Chairs of each of the Standing Committees of the Board, the Senior Independent Member and the Principal who is a member *ex officio*.~~

The Chair and Vice Chair of the Board of Management, the Chairs of each of the Standing Committees of the Board, namely Audit, Human Resources, Learning, Teaching and Research and Finance and General Purposes, the Senior Independent Member and the Principal who is a member *ex officio*.

The Vice Chair of each of the Standing Committees, may deputise in the absence of the Chair of that Committee

Quorum

Three members of the Committee entitled to vote upon the items before the meeting.

Frequency of Meetings

The Committee shall meet no less than four times each year.

Remit

Review the membership of the Board's Standing Committees and the overall effectiveness of the Board's Committee Structure and to recommend to the Board any amendments or additions considered appropriate.

Ensure effective self-evaluation of the Board, its members, its Standing Committees and its Chairs.

Develop the annual Board development day programme.

Oversee the planning of the Board's training and development programme.

Oversee development of the Board's stakeholder engagement.

At the special request of the Board, to consider matters of special interest which are not within the remit of another Standing Committee.

To exercise the functions of the Board in any cases of urgency of which the Chair of

the Board, the Vice Chair or the Chair of a Standing Committee or the Senior Independent Member shall be the judge and where it is not practicable to convene a meeting of the Board of Management.

Search and Nomination Committee Terms of Reference

Membership

~~Chair of the Board of Management, the Chairs of the standing committees and the Senior Independent member.~~

The Chair and Vice Chair of the Board of Management, the Chairs of each of the Standing Committees of the Board, namely Audit, Human Resources, Learning, Teaching and Research and Finance and General Purposes, and the Senior Independent Member.

The Vice Chair of each of the Standing Committees, may deputise in the absence of the Chair of that Committee

The Principal shall be excluded from membership of the Committee.

Quorum

Three members of the Committee entitled to vote upon the items before the meeting.

Frequency of Meetings

The Committee shall meet as and when required.

REMIT

The Search and Nomination committee shall

1. Consider the skills matrix of current Board Members to determine the skills and experience required of prospective members
2. Agree which Inverness College members should be on the Selection Panel
3. ~~Agree which member of the University Court should be invited to join the Selection Panel and also identify an independent person to be invited to join the Selection Panel. Ask UHI to identify members of the University Court and confirm the recommendation by the committee of an independent person to join the Selection Panel~~
4. In consultation with UHI,
- 4-5. A. aAgree a timetable for the recruitment and selection process.
- 5-6. B. Agree the various forms of advertising to be used to ensure the college meets the College Sector Board Appointments: 2014 Ministerial Guidance and the requirements of the Public Sector Equality Duty
- 6-7. C. Agree the key information to be included in the advertising material.

Role of UHI as the Regional Strategic Body

UHI as the Regional Strategic Body has the responsibility for appointment of the Chair and non-executive board members to the Board of Management of Inverness College UHI.

The UHI Court has delegated responsibility for the recruitment and selection of the Chair of the Board and non-executive board members to a Selection Panel. The membership of the Selection Panel will be as follows:-

Appointment of the Chair of the Board of Management (5 members)

Member of the University Court
Chair of the Further Education Regional Board
The Chair of the Board of Inverness College UHI
Board Member of Inverness College UHI
Independent person

Non-Executive members (4 members)

Member of the University Court
The Chair of the Board of Inverness College UHI
Board Member of Inverness College UHI
Independent person

Performance Review and Remuneration Committee Terms of Reference

Membership

~~Chair of the Board of Management~~

~~Vice Chair~~

~~Chairs of the standing committees; Audit, Human Resources, Learning and~~

~~Teaching, Finance and General Purposes~~

~~Senior Independent Member.~~

The Chair and Vice Chair of the Board of Management, the Chairs of each of the Standing Committees of the Board, namely Audit, Human Resources, Learning, Teaching and Research and Finance and General Purposes, and the Senior Independent Member.

The Vice Chair of each of the Standing Committees, may deputise in the absence of the Chair of that Committee

There shall be no co-option to the Committee.

The Chair of this Committee must be a member of the Human Resources Committee, and the Chair of the Human Resources Committee must be a member of this Committee.

The Chair of the Board of Management may not Chair this Committee.

The Committee may be attended, at the invitation of the Chair by members of the College's academic and support staff or by external advisers. The purpose of such an invitation will be to provide specialist information and advice to assist the Committee in its deliberations. Individuals attending on this basis may not vote on any decision made by the Committee.

Quorum

Three members of the Committee entitled to vote upon the items before the meeting.

Frequency of Meetings

The Committee shall meet at least twice each year.

Remit

The Committee shall consider and make decisions on the remuneration package and conditions of service, and any changes thereof, of the College Principal and such other senior staff as is considered appropriate, taking into account:

1. That College senior management should be fairly rewarded for their individual performance and contribution to the College's overall performance
2. Where, in terms of senior management remuneration, the College stands in relation to other comparable institutions in the sector, organisations of a similar size and the local market;
3. The Scottish Government's approach to remuneration in the public sector;

4. The relationship between the remuneration of the senior management and that of other employees of the College
5. The benefits granted to senior management; and
6. The adequacy of pension arrangements and also the cost implication of pension arrangements including the pension effect of remuneration proposals.

The Committee shall review the annual appraisal of the Principal and Chief Executive by the Chair of the Board and review the Principal and Chief Executive's continuing professional development.

One member of the Board of Management shall represent the Board on the interview panel for Senior Management appointments.

The Committee shall consider such other matters relating to the Board of Management which the Chair shall from time to time determine, in particular in relation to severance payments.

The Committee should endorse any proposals for severance payments to Senior Managers and any exceptional settlements which will require to be formally notified to the Board of Management.

Learning, Teaching and Research Committee Terms of Reference

Membership

Not less than five members of the Board, including the Principal *ex officio*, the Teaching Staff Representative and the Student Representatives.

Quorum

Three members of the Committee entitled to vote upon the items before the meeting.

Frequency of Meetings

The Committee shall meet no less than four times each year.

Remit

The Committee has overall responsibility for monitoring the direction and performance of learning, teaching and research at the College.

The Learning, Teaching and Research Committee shall:

1. Oversee the development and implementation of the various strategies aligned to the committee and monitor their performance against targets
2. Recognise trends in education and research and recommend specific initiatives in the College.
3. Monitor student recruitment, retention and achievement and any actions identified
4. Monitor the progress of the annual Student Partnership agreement
5. Monitor data relating to the student experience and performance at the College
6. Ensure that the college continues to maintain and improve the quality of its provision.
7. Monitor the College's preparedness for the ongoing, external scrutiny of its provision.
8. Monitor the development of the College's International links
9. Monitor the Curriculum to ensure that the College meets the needs of students, stakeholders and the local community
10. Receive and consider information on research activity in the college including funding, curriculum support, student journey, professional development and stakeholder engagement
11. Review the results of the external verification visits carried out throughout the year
12. Monitor the level and type of complaints received
13. Receive regular reports from the Students Association and monitor the college response to student concerns

Finance and General Purposes Committee - Terms of Reference

Membership

Not less than five Members of the board of Management including the Chair and Principal who are members *ex officio*.

Quorum

Three members of the Committee entitled to vote upon the items before the meeting.

Frequency of Meetings

The Committee shall meet no less than four times each year.

Remit

The Committee has overall responsibility (within the Financial Memorandum between the College and the Regional Strategic Body) for the direction and oversight of the College's financial affairs.

The Committee has responsibility for the College's existing buildings and estates.

The Finance and General Purposes Committee shall:

1. Monitor the financial position of the college and report to the Board on any necessary action
2. To receive and consider information on non core grant supported activity including international student and business development activities
3. Keep the College Financial Regulations under review.
4. Review, approve and monitor the implementation of the College's finance and estates strategies and associated plans, and to submit appropriate reports and recommendations to the Board.
5. Review the effectiveness of financial management and controls within the College.
6. Receive and approve the annual revenue and capital budgets and final accounts for recommendation to the Board.
7. Make recommendations to the Board regarding the level of tuition fees and other charges.
8. Approve the write-off of bad debts in accordance with the limits set in the Scheme of Delegation.
9. Consider, and contribute to, the overall risk management strategy of the college.
10. Ensure compliance with relevant College policies and financial statutory and regulatory requirements;
11. Consider and report on Shared Services in so far as they relate to the provision of such services under the remit of this committee
12. Consider and report on issues of procurement giving consideration to value for money

13. Consider and recommend to the Board on all matters relating to the operation of the Arms Length Foundation
14. Ensure that the college's existing buildings and estates are fit for purpose and are maintained to an appropriate standard, meeting all relevant regulatory requirements
15. Consider and report on any other financial matters which the Board may delegate or refer from time to time.

Board of Management

Subject/Title:	Single Policy Environment – FE Academic Appeals Policy
Meeting and date:	Board of Management – 25 June 2019
Extract from Minutes of the Meeting of the Learning, Teaching and Research Committee held on 4 June 2019	

SINGLE POLICY ENVIRONMENT – FE ACADEMIC APPEALS POLICY

A covering report by the Quality Manager advised that the UHI FE academic appeals policy was part of a suite of new policy/procedures to be drafted as part of the new common policy environment. This policy had IC UHI representation and endorsement.

The Committee asked for clarification on paragraphs 5.4 (appeals not normally being permitted from third parties) and 6.4 (student awareness of the policy). It was confirmed that guidelines on 5.4 would be built within the procedure and awareness of the strategy, 6.4 would be through the induction process.

The Committee asked that reference to the appropriate strategy be included in the report template and **RECOMMENDED** the UHI FE academic appeals policy to the Board of Management for approval.



Inverness College UHI, University of the Highlands and Islands

Further Education Academic Appeals Policy

POL

Lead Officer (Post):	Depute Principal Academic Development
Responsible Office/ Department:	Quality
Responsible Committee:	Learning, Teaching and Resource Committee
Review Officer (Post):	Quality Manager
Date policy approved:	Click or tap to enter a date.
Date policy last reviewed and updated:	n/a
Date policy due for review:	January 2022 (or earlier if required)
Date of Equality Impact Assessment:	23/01/2019
Date of Privacy Impact Assessment:	n/a

Accessible versions of this policy are available upon request. Please contact the Governance and Policy Officer on 01463 279000.

Policy Summary

Overview	<p>Why is the policy required?</p> <p>This policy, together with the associated Academic Appeals Procedures, represents an appeals framework that ensures students can request a review of an assessment decision made by Inverness College UHI, where there are grounds to do so.</p>
Purpose	<p>What will the policy achieve?</p> <p>The purpose of the policy is to set out the circumstances in which a student may wish to appeal against a decision provided during an assessment process or against a decision about progress between levels (e.g. a decision by a Progression Board).</p>
Scope	<p>Who does the policy apply to?</p> <p>This policy applies to all Further Education courses (normally up to and including SCQF Level 6)</p>
Consultation	<p>Who has been consulted on the policy, and who will be notified?</p> <p>The policy was developed by a group of practitioners made up from across the University of the Highlands and Islands partnership. All relevant staff and students will be notified.</p>
Implementation and Monitoring	<p>Who will be responsible for implementing and monitoring the policy, and what resources/ costs will be incurred?</p> <p>Colleges will be responsible for local implementation of the policy. The policy is part of the business-as-usual function of the college.</p>
Risk Implications	<p>What are the risk implications of this policy?</p> <p>Failure to adopt a strong policy and follow the procedures would undermine the student experience and the academic reputation of the College.</p>
Link with Strategy	<p>How is this policy linked to University strategy?</p>
Impact Assessment	<p>Equality Impact Assessment: 23/01/2019 – No negative impact.</p>
	<p>Privacy Impact Assessment: n/a</p>

1. Policy Statement

- 1.1 This policy, together with the associated Academic Appeals Procedures, represents an appeals framework that ensures students can request a review of an assessment decision made by Inverness College UHI, where there are grounds to do so.
- 1.2 The policy aims to ensure appropriate, fair and consistent treatment of all parties involved in any further education academic appeal across the partnership.

2. Definitions

- 2.1 **Academic Appeal:** a procedure through which students may in certain circumstances ask for a review of a decision relating to their academic progress or award.
- 2.2 **Progression Board:** a panel of staff from the College who consider and determine student awards and progression to a more advanced stage.
- 2.3 **Awarding Body:** an organisation that designs, develops, delivers and awards the recognition of learning outcomes (knowledge, skills and/or competences) of an individual following an assessment and quality assurance process.

3. Purpose

- 3.1 The purpose of the policy is to set out the circumstances in which a student may wish to appeal against a decision provided during an assessment process or against a decision about progress between levels (e.g. a decision by a Progression Board).
- 3.2 The procedure allows the student to raise an appeal at an informal level and, if the outcome of this is not satisfactory, to use the formal procedure.

The internal formal Academic Appeal Procedure should be followed before escalation to external Awarding Body appeals processes. Students will be signposted to relevant external Awarding Body appeal processes at the start of their programme of study.
- 3.3 External appeals procedures vary, depending on the type of qualification for which the appeal is being made and the awarding body. The overriding principle is that all appeals will be treated fairly and objectively.
- 3.4 Without prejudice to the outcome of an appeal, a student may continue to attend classes and make use of the facilities of the College whilst their appeal is being heard.
- 3.5 Students who have completed their programme, who have grounds to appeal an award decision or programme progression board, will be unable to receive their award until the matter has been fully resolved.
- 3.6 The timescales set out in the Procedures must be followed. Students and staff should note where there may be variations between awarding bodies.

4. Scope

- 4.1 This policy applies to students enrolled on courses normally up to and including SCQF Level 6 (see Section 4.2 for variations to this criteria).
- 4.2 There are a small number of Scottish Vocational Qualification (SVQ) courses at SCQF Level 7 that are considered as Further Education courses for the purposes of the UHI Partnership. This policy applies to these students.

4.3 Grounds for Appeal

Appeals against an assessment decision will normally only be considered on one or more of the following grounds:

- 4.3.1 That a student's performance in the assessment was adversely affected by illness or other factors. The student must have been unable to, or have a valid reason not to, divulge the information to their lecturer prior to assessment. In the case of a Progression Board, the information must have been unavailable at the time the determination was made. In these cases, the appeal must be accompanied by documentary evidence to the Director of Curriculum (see Procedures).
- 4.3.2 Evidence of College academic assessment administrative error or that an assessment was not conducted in accordance with the College's specific assessment policies/procedures.
- 4.3.3 That evidence is produced that some other material irregularity has occurred.

5. Exceptions

- 5.1 This policy does not apply to Higher Education students, e.g. normally those students studying courses at SCQF Level 7 and above (see Section 4.2 for variations to this). These students should refer to the UHI Academic Standards and Quality Regulations.
- 5.2 Appeals that question the academic judgement of a member of staff or an academic assessment body will not be considered.
- 5.3 Students undertaking non-regulated qualifications (NQs), have no further right of appeal against internal assessment decisions. The final decision rests with the academic partner. External awarding bodies will not accept internal assessment appeals.
- 5.4 Appeals will not normally be permitted from third parties on behalf of a student.
- 5.5 SQA Post-results Services for National Qualifications and other external assessments. Please refer to relevant Awarding Body Guidance for further details.
- 5.6 Exceptional Circumstances Considerations. Please refer to relevant Awarding Body Guidance for further details.

6. Notification

- 6.1 All staff members will be notified of changes to the Academic Appeals Policy and Procedures through the normal channels.
- 6.2 Teaching staff and staff advising students should have a detailed knowledge of the Academic Appeals Policy and Procedures.
- 6.3 Any changes to awarding body regulations will be reflected in the annual review process of this policy and associated procedures.
- 6.4 Students will be made aware of the policy within four weeks of commencing their course.
- 6.5 The policy will be publicly available on the College's website.

7. Roles and Responsibilities

- 7.1 Inverness College UHI Board of Management are responsible for approving the policy and ensuring that it is followed. Inverness College UHI Board of Management are also responsible for ensuring the strategic effectiveness of the policy.

- 7.2 The Depute Principal - Academic Development is responsible for operational compliance with the policy set by the Inverness College UHI Board of Management, and making recommendations to the Board about updates to the policy. The Depute Principal - Academic Development is also responsible for ensuring the operational effectiveness of the policy and making provision for training for relevant staff.
- 7.3 The Further Education Academic Appeals Policy Ownership Group is responsible for overseeing annual updates to the Policy and Procedures.
- 7.4 Line managers are responsible for ensuring staff participate in training and follow the policy in their day-to-day role.
- 7.5 All relevant staff are responsible for familiarising themselves with the policy and procedures.

8. Legislative Framework

- [Data Protection Act 2018](#)
- [Equality Act 2010](#)
- [General Data Protection Regulations](#)

9. Related Policies, Procedures, Guidelines and Other Resources

- Academic Standards and Quality Regulations
- Further Education Academic Appeals Procedure
- Inverness College UHI Access and Inclusion Strategy
- Complaints Policy and Procedure
- Positive Learning Environment Policy and Disciplinary Procedure
- Fitness to Study Guidelines
- Learner Support Policy and Procedures
- Progression Board Guidance

10. Version Control and Change History

Version	Date	Approved by	Amendment(s)	Author
0				
1				
2				
3				
4				

Board of Management

Subject/Title:	Revenue Budget 2019-20
Meeting and date:	Board of Management – 25 June 2019
Extract from Minutes of the Meeting of the Finance and General Purposes Committee held on 6 June 2019	

REVENUE BUDGET 2019/20

A report by the Director of Finance set out the proposed revenue budget for 2019/20, using the information currently available in relation to funding allocations from UHI as the Regional Strategic Body. The key points to note were as follows:-

- The core funding element reflected a reduction on the 2018/19 position of £248K.
- The current estimate of recurrent grant included funding of £1,667k for Inverness College UHI specifically in respect of national bargaining pay costs. This element was for the uplift for teaching staff only. Although an allocation had been made in respect of support staff job evaluation outcomes, this had not been included in either income or expenditure due to the level of uncertainty surrounding both timing and value.
- For 2019/20, the recurrent grant retention (top slice) proposed by UHI was £16.190m. This compared to £15.730m in 2018/19.
- The College's PPF target was 1,604 FTEs for 2019/20. This would result in an undergraduate RAM allocation for 2019/20 of £4,653k. The HE allocations from UHI did not include any adjustments to reflect anticipated microRAM movements which the college had assumed would be at a level of £500K.
- The proposed UHI budget HE teaching grant allocation for 2019/20 was the first for many years that had a slight increase in the internal unit of resource. This was due to the reduced HE targets which had reduced the gap between the SFC funded numbers and the overall target set by UHI Partnership Planning Forum (PPF).
- Staff related costs were estimated to be £16,827k for 2019/20, an increase of £1,065k on the previous year. This included the increase in SPPA employer pension costs of 5.8%.

The Director of Finance confirmed that she was had still to receive confirmation or clarity on a number of elements within the budget.

The Committee considered the paper at length discussing, in particular

- The level of UHI top slice in relation to the level of service provided
- The challenges to the college from a number of UHI processes

- the need for discussion at the Board of Management on what the College would need to consider e.g. vacancy management and a review of minimum viable class sizes, to try to mitigate against any compulsory redundancies and achieve a break-even budget
- concerns that the budget figures did not reflect the latest national bargaining pay offer to lecturing staff, noting that the pay budget would have to be adjusted
- the need to support the required 3% cut in the non-pay budgets to ensure the College achieved the required annual efficiency savings set by the SFC.

The Committee **AGREED** to recommend the proposed revenue budget (Option A) for 2019/20 to the Board of Management for approval with a specific recommendation that a discussion around staffing budget was part of the subsequent item.

Board of Management

Subject/Title:	2019/20 Revenue Budget
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Board of Management
Meeting Date:	25 June 2019
Date Paper prepared:	7 June 2019
Brief Summary of the paper:	The paper sets out the support requested from the Board of Management in relation to the control measures required to achieve a balanced budget for 2019/20, and clarifies that approval is sought in respect of scenario A in the budget paper.
Action requested: [Approval, recommendation, discussion, noting]	Approval
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes If yes, please specify:
Risk implications:	Yes If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	No		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	X
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

2019/20 Revenue Budget

Executive summary

After discussion at the Finance and General Purposes Committee, it was agreed that the Board of Management should receive clarification on the option presented for approval which is scenario A in the budget paper.

Background information

The draft 2019/20 revenue budget was presented to the Finance and General Purposes Committee on 6 June 2019. Uncertainty surrounding items such as future funding streams, particularly in respect of the increase in employer contribution rates for the teaching staff pension scheme, and pay uplifts, have resulted in the proposed budget remaining as draft at this stage.

Three scenarios were presented with the key difference being the level of funding provided in relation to the pension scheme rate change. What is clear is that regardless of the funding level for the employer contribution rate, the College will have to take action to significantly reduce staffing costs and to ensure cash efficiencies are realised.

At this stage, scenario A is presented as the budget for approval as this is the most pessimistic view of government funding for the rate change. We anticipate a minimum funding level of 50% for 2019/20 for this change based on information from the SFC. The only significant budget where sufficient movement to mitigate this impact can be enacted is on the staffing budget.

Board of Management support is requested for these actions, namely a 3% reduction across all non-pay budgets, and measures to reduce staffing costs. These measures may involve not filling vacant posts and workforce deployment. It must be recognised that there are difficult decisions ahead for the College and ultimately we may need to consider redundancies in some areas if we are to achieve a balanced budget position.

Board of Management

Subject/Title:	Proposed Revenue Budget 2019/20
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 June 2019
Date Paper prepared:	2 June 2019
Brief Summary of the paper:	To provide the committee with a proposed revenue budget for 2019/20, using the information currently available in relation to funding allocations from UHI as the Regional Strategic Body.
Action requested: [Approval, recommendation, discussion, noting]	Recommendation to Board for approval
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes If yes, please specify:
Risk implications:	Yes If yes, please specify: Operational: Budget holders to be provided with realistic budgets to ensure ownership and accountability. Organisational: Failure to manage budget puts the institution at risk
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)	X
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.)	Until approved		

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

Proposed Revenue Budget for 2019/20

Executive summary

At the time of preparing this paper, the final internal allocations of grant funding have not yet been agreed by UHI as the Regional Strategic Body. The committee are therefore asked to approve the revenue income and expenditure budgets for 2019/20 on the understanding that further amendments may be required pending the outcome of the UHI allocation approval process.

Strategic Context

The College Strategic Plan covers the period 2017 to 2020. There are six key areas in this plan which are supported by a number of underpinning strategies. It was recognised that a crucial enabling strategy, particularly in the context of the current and future funding challenges, is the Finance Strategy. A new Finance Strategy was developed by the senior management team over a number of months, with input from the Board of Management.

A further key driver is the Audit Scotland and SFC requirement for colleges to develop long-term (a minimum of five years) financial strategies and workforce planning. It should be noted that SFC allocations continue to be made on an annual basis without any longer term commitment.

During 2017/18, the Scottish Funding Council have agreed a level of what is now termed Cash Budget for Priorities, based on the 2015/16 net depreciation values. Net depreciation is the balance of depreciation cost remaining after the application of deferred capital grant. For Inverness College UHI this does not address the significant gap between the deferred capital grant and depreciation resulting from the new campus development.

In line with the approach taken with the 2018/19 budget, we have presented the budget with these items separately identified to show the underlying position. The main objective for the College is to ensure that we deliver our services within a break-even resource budget position.

The College is fully cognisant of the significant financial challenges ahead and appreciate that difficult decisions lie ahead.

Budget 2019/20

The summary budget for 2019/20 is set out in the table in Appendix 1. This contrasts the proposed budget with the 2018/19 budget. The table also includes the current forecast outturn position for 2018/19, based on projected outturn figures at 30 April 2019.

SFC published the final funding allocations at regional level for both HE and FE funding on 17 May 2019.

There continues to be debate within the UHI partnership regarding the FE funding allocations to the institutions. Despite being agreed earlier in the year, there has recently been some challenge to this position and the allocations have not yet been ratified. The draft budget presented is based on the grant funding figures presented to the UHI Finance Directors Practitioners Group (FDPG) in May 2019 and represents a reduction in core funding after excluding national bargaining funding.

2019/20 Budget Assumptions

Information is given in the following sections on the assumptions made and methods of calculation used in arriving at the budget for 2019/20. This is provided to aid committee members in considering the proposals.

INCOME

SFC FE Recurrent Grant

The forecast for SFC grant is based on the indicative distribution of the final funding allocation for 2019/20 as discussed at UHI FDPG on 23 May 2019. The core credit target for the Highlands and Islands Region for 2019/20 is 110,382, there has been no movement from the 2018/19 core credit target.

There is a regional top slice retained by UHI EO for Further Education. This top slice funds the Vice Principal Further Education, her direct staff, and FERB. For 2019/20, the draft top slice is £346,205, the same level as 2018/19.

The core funding element reflects a reduction on the 2018/19 position of £248k. This is masked to some extent by the additional national bargaining funding for the final 8 months of the transition to the new teaching staff pay model.

The current estimate of recurrent grant includes funding of £1,667k for Inverness College UHI specifically in respect of national bargaining pay costs. This element is for the uplift for teaching staff only. Although an allocation has been made in respect of support staff job evaluation outcomes, this has not been included in either income or expenditure due to the level of uncertainty surrounding both timing and value.

SFC Other Grants

The FE capital and maintenance grant for the College for 2019/20 is a reduction on the previous year. This is outlined in more detail in the Capital Budget Plan for 2019/20. The element of grant proposed to be allocated specifically for revenue maintenance is £72,943.

The other grants which the College anticipate are the EMA admin grant at £12k.

SFC Unitary Charge Grant

The proposed budget for SFC unitary charge funding reflects the anticipated funding due from SFC as per the NPD funding model of £4,811k, including VAT and insurance. The NPD funding model increases each year in line with indexation. The insurance recharge is classed as a pass through cost in terms of the contract and is therefore funded in full as per our agreement with SFC.

UHI HE Income

Members will be aware that there are some services which are provided to and on behalf of academic partners by UHI EO. To fund these services, UHI EO retain a top slice of income. The level of top slice for UHI EO is set at 35% of total student income (TSI). Total student income includes the main HE teaching grant and an assumed level of fee income but excludes teaching grant for nursing and teacher education. The top slice is applied at the highest level and not at individual academic partner level.

For 2019/20, the recurrent grant retention (top slice) proposed is £16.190m. The budgeted top slice for 2018/19 was £15.730m.

The overall PPF target for UHI for 2019/20 has been set at 6,186 FTEs, a reduction from the 2018/19 target of 6,307 FTEs. This reflects a reduced gap between the SFC activity targets of 5,881 FTEs including teacher education. Inverness College's PPF target is 1,604 FTEs for 2019/20, compared to our PPF target of 1,618 FTEs for 2018/19. This results in an undergraduate RAM allocation for 2019/20 of £4,653k. The HE allocations from UHI do not include any adjustments to reflect anticipated microRAM movements. Therefore we have assumed a level of £500k in microRAM movement, an £100k increase on the budgeted level for 2018/19.

Other expected teaching grant income from UHI in 2019/20 includes a RAM allocation for postgraduate students of £28k, funding for leadership payments of £123k, and funding for PGDE students estimated at £130k.

Analysis of HE grant over the last 5 years evidences a decrease in the internal unit of resource, with the value per FTE in 2018/19 being lower than that in 2014/15. Whilst this is connected with the ESF funded element of activity, there is a lack of clarity of the impact on individual partners. The proposed UHI budget HE teaching grant allocation for 2019/20 is the first for many years that has a slight increase in the internal unit of resource – this increase amounts to 0.19% on the 2018/19 values. This is due to the reduced HE targets which have reduced the gap between the SFC funded numbers and the overall target set by UHI Partnership Planning Forum (PPF).

UHI Specific Grants

UHI will receive two separate elements of research grant funding from SFC in the form of Research Excellence Grant (REG) and Innovation Fund. The estimated value of the REG grant for the College for 2019/20 is £49k, a minimal reduction on the 2018/19 funding. There has been no information on Innovation Fund for 2019/20 as yet.

Grant funding is provided by UHI in respect of the LIS recharge made to partners for ICT services they provide in relation to FE activity. Note that this grant funding covers the

recharge but not the VAT cost associated with this. The estimated value of this grant funding for 2019/20 is £295k.

The College expects to receive strategic investment funding from UHI amounting to £167k for 2019/20 and funding for two ESIF funded posts included in the pay budget.

Fees and Charges

The estimate of fee income for 2019/20 is based on consideration of 2018/19 actuals, discussions with budget holders and uplift in part-time fees and RUK. This takes the Fees & Charges income target to £3,428k for 2019/20, compared to the budget level of £3,296k for 2018/19, an increase of £132k. This reflects the difficulties experienced in achieving the relatively modest international targets set during the financial planning under the Finance Strategy.

SDS Income

The budget for SDS Contracts for 2019/20 includes estimated contract values for all levels of apprenticeship contracts. There continues to be a shift in focus onto apprenticeships. It is too early to have any certainty in relation to the impact from change in funding of construction apprenticeships and our ability to contract directly with SDS for these. There may require to be a virement in year of income budget between fees and SDS income.

FWDF Income

An income target of £400k has been set for FWDF for 2019/20. The forecast outturn for 2018/19 is approximately £500k. FWDF funding levels for remain the same for 2019/20, however it may be that other colleges within the region are more actively prepared to access this funding in 2019/20 which is why we have not assumed the same income level as 2018/19.

Other Income

Estimates of other income have been calculated from the 2018/19 budget base levels, anticipated actuals and increases in charges. The proposed budget for 2019/20 is an income target of £2,256k. This target reflects the impact on the short course income budget from the FWDF funding as this has the effect of displacing some of that activity but still includes a challenging target of £306k for non FWDF short course income.

Other income includes an increase on the research income budget target of £200k bringing the 2019/20 target to £400k. The corresponding project expenditure has resulted in some non-pay budget increases. For 2019/20 the catering income target remains at the same level as 2018/19 of £812k. The nursery fees budget has reduced by £30k to £220k to more accurately reflect anticipated income levels in line with occupancy.

EXPENDITURE

The expenditure budgets proposed have been formulated through an assessment of organisational requirements and the resource available to achieve these. SFC funding anticipates colleges achieving 3% efficiencies across expenditure budgets. This is particularly challenging for our college as departmental budgets had not been adequately increased in line with activity growth and consequently over the last couple of years we have been moving to ensure that budgets accurately reflect the cost of delivery.

Staff Related Expenditure

Payroll costs have been based on established posts as at April 2019. This takes into account current vacancies and planned increments during 2018/19. Staff related costs, are estimated to be £16,827k for 2019/20, and compared to a budget of £15,762k in 2018/19, an increase of £1,065k.

The draft budget includes the increase in SPPA employer pension costs of 5.8% effective from 1 September 2019. This equates to at least £400k of additional cost and work is ongoing to quantify the exact value of this increase on our pay bill.

The academic staffing profile continues to change as more staff are moved to permanent contracts. This presents a challenge both in budgetary and practical terms. It creates difficulty in identifying accurate establishment levels and reduces our flexibility to address downward movements in demand.

The draft pay budget reflects the new staffing model for pastoral care, moving activity from teaching staff to support staff. It also includes the agreed pay award for support staff.

There are 3 key risks to the staff budget. The first of these is that it does not currently include a provision for teaching staff pay uplift. Negotiations with the unions have been continuing and once agreement is reached this will be calculated and reflected.

The second relates to job evaluation for support staff. The job evaluation project is not sufficiently advanced to calculate the costs with any degree of accuracy and therefore no attempt has been made to incorporate this into the budget at this stage, but equally the funding allocation has not been included in the income budget. There remains a significant risk that the outcome may not be fully funded.

The third relates to the Board request to include a provision within the pay budget for absence cover backfill. The pressures within the pay budget are such that it has not been possible to create such a provision for 2019/20.

In order to address pay budget pressures, stringent staff resource management is required. The budget includes vacancies, at the time of preparation, of approximately £700k. Pay pressures remain the biggest budget concern across the FE sector in Scotland and it will come as no surprise that some institutions have already resorted to redundancies with more likely to do so. SFC have indicated that there is no funding available for voluntary severance schemes and colleges considering compulsory redundancies should keep SFC fully informed and updated.

Property Related Expenditure

The proposed budget for property costs, excluding the unitary charge, is £1,241k for 2019/20, an increase of £115k on 2018/19. The primary driver for this increase is a rise in electricity charges of £83k due to an increase of 14% in the base framework price. The other significant movement is an increase of £20k in the maintenance charge payable in relation to the wider Inverness Campus area.

The Unitary Charge expenditure budget of £4,282k is based on the value stipulated as per the contract value. An allowance has been made in the insurance budget for the insurance pass through cost due as per the contract. The insurance is funded in full by SFC. The VAT in relation to this charge is included within Supplies and Services expenditure thereby giving a total budgeted cost of £5,195k.

Under the terms of the contract, the College is entitled to make deductions from the monthly payment due if certain standards are not met by GTFM. For the purposes of budgeting, we have assumed no deductions in relation to the performance of GTFM.

Other Expenditure

The proposed budget for transport related costs of £101k for 2019/20 is an increase of £3k on the 2018/19 budget. Travel and transport costs are under consideration and changes to processes should facilitate the release of savings in this area.

The supplies and services proposed budget for 2019/20 of £4,443k. The increases here primarily relate to the cost of delivering research projects for which the corresponding income has been budgeted, with the VAT relating to other activities also incorporated here.

Inflation

The Government measurement for inflation, the Consumer Prices Index (CPIH), is sitting at 2% for April 2019. There has been no budgetary uplift for inflation included in the proposed budget, with the exception of known increases such as the new electricity rates.

Pressures in Setting a Break Even Budget

When setting the budget for 2019/20 the College has made a considered assessment of income and expenditure for the coming year. Further adjustments have been made to address historical inaccuracies in departmental budget splits and ensure that contractual requirements are fully budgeted.

The good progress that has been made on non-pay budget alignment with services will be negatively impacted by the requirement to achievement 3% efficiency savings across all non-pay budgets however this is an essential requirement to achieve a neutral budget position.

Funding for national bargaining is specifically identified for individual colleges but other grants remain dependent on successful performance of the region as a whole. It is anticipated that SFC will undertake a further in year redistribution of national bargaining funding similar to the exercise completed in 2018/19.

The reduction in FE grant for Inverness College UHI in 2019/20 and the lack of growth in funding for HE place additional burdens on our attempts to match income levels against the cost of delivery.

The risk to college finances resulting from national agreements on both pay and terms and conditions should not be underestimated. These agreements simultaneously increase our costs and reduce our flexibility to mitigate against cost pressures.

Achieving greater international and other full fee paying student activity is critical in addressing the financial position. This is an area where we are still facing numerous challenges and in a crowded marketplace, UHI is struggling to gain ground. International summer school activity will have a positive impact but the key is to gain full time students

INVERNESS COLLEGE UHI DRAFT BUDGET 2019/20
PERIOD 1 AUGUST 2019 TO 31 JULY 2020

	A	B	C
	2019/20 Budget £'000	2019/20 Budget £'000	2019/20 Budget £'000
INCOME			
SFC Recurrent Grant	9,127	9,127	9,127
Other Grants (SFC)	85	85	85
Unitary Charge	4,811	4,811	4,811
UHI HE Income	5,113	5,113	5,113
Student Support Funds	2,435	2,435	2,435
Fees and Charges	3,428	3,428	3,428
SDS	846	846	846
FWDF	400	400	400
Other income	2,256	2,256	2,256
TOTAL INCOME	28,501	28,501	28,501
EXPENDITURE			
Staffing	16,515	16,515	16,515
Other Staff costs	312	312	312
Property Related	1,241	1,241	1,241
Unitary Charge	4,282	4,282	4,282
Transport Related	101	101	101
Supplies and Services	4,433	4,433	4,433
Student Support Funds	2,435	2,435	2,435
TOTAL EXPENDITURE	29,318	29,318	29,318
Net Surplus / (Deficit)	-817	-817	-817
Income Changes			
Govt funding for SPPA increases	200	300	400
MicroRAM movements	50	50	50
National Bargaining changes	-50	-50	-50
Expenditure Controls			
Staff costs - reduction	434	334	234
3% efficiency savings applied	183	183	183
Net Surplus / (Deficit)	0	0	0

INVERNESS COLLEGE UHI DRAFT BUDGET 2019/20
PERIOD 1 AUGUST 2019 TO 31 JULY 2020

	2019/20 Budget £'000	18/19 Est Outturn £'000	2018/19 Budget £'000	2019/20 Budget Variation to 2018/19 £'000 %	
INCOME					
SFC Recurrent Grant	9,127	8,929	8,998	129	1.4%
Other Grants (SFC)	85	117	118	-33	-27.6%
Unitary Charge	4,811	4,731	4,732	79	1.7%
UHI HE Income	5,113	5,068	5,140	-27	-0.5%
Student Support Funds	2,435	2,665	2,270	165	7.3%
Fees and Charges	3,428	3,081	3,296	132	4.0%
SDS	846	726	755	91	12.1%
FWDF	400	500	130	270	207.7%
Other income	2,256	2,984	2,167	89	4.1%
TOTAL INCOME	28,501	28,801	27,605	895	3.2%
EXPENDITURE					
Staffing	16,515	15,532	15,453	1,062	6.9%
Other Staff costs	312	233	309	3	1.0%
Property Related	1,241	1,084	1,126	115	10.2%
Unitary Charge	4,282	4,195	4,197	85	2.0%
Transport Related	101	90	97	3	3.5%
Supplies and Services	4,433	4,778	4,153	280	6.8%
Student Support Funds	2,435	2,785	2,270	165	7.3%
TOTAL EXPENDITURE	29,318	28,697	27,605	1,713	6.2%
Net Surplus / (Deficit)	(817)	104	0	(818)	
Deferred grant	600		321		
Depreciation	1,490		1,706		
Surplus / (Deficit)	(1,707)		(1,385)		

Board of Management

Subject/Title:	Capital Expenditure Plan 2019/20
Meeting and date:	Board of Management – 25 June 2019
Extract from Minutes of the Meeting of the Finance and General Purposes Committee held on 6 June 2019	

CAPITAL EXPENDITURE PLAN 2019/20

A report by the Director of Finance provided information on the draft capital funding allocations to Inverness College UHI for 2019/20. The capital grant had reduced from a figure of £324,984 in 2018/19 to £170,919 for 2019/20

For Inverness College UHI the 2018/19 FE allocation FE was £194,605. The proposed allocation for 2019/20 was £72,943. This capital allocation would normally be split between revenue maintenance and capital for works and/or equipment. With the vastly reduced allocation, it was proposed that the allocation of £72,943 for 2019/20 was wholly allocated to revenue maintenance.

The allocation of the HE capital maintenance grant to academic partners for 2019/20 was allocated based on student activity measured by FTEs taken from the 2018/19 mid-year student FTEs. The 2019/20 capital maintenance allocation proposed for Inverness College UHI was £170,919

The reduction in FE capital allocation and restrictions on the use of HE capital were challenging. It was recommended that any urgent equipment requirements were addressed through application to the Scottish Colleges Foundation for funding and that the FE funds were directed solely to revenue maintenance. The Chair reiterated the need for monies to be directed to income generation where possible.

The Committee **AGREED** to recommend the Capital Plan 2019/20 to the Board of Management for approval

Board of Management

Subject/Title:	Capital Plan 2019/20
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 June 2019
Date Paper prepared:	29 May 2019
Brief Summary of the paper:	To provide the committee with information on the draft capital funding allocations to Inverness College UHI for 2019/20.
Action requested: [Approval, recommendation, discussion, noting]	Recommend to the Board of Management for approval
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes If yes, please specify: Must ensure funds are fully utilised in year and on budget.
Risk implications:	Yes If yes, please specify: Operational: Organisational: if funds not utilised or overspent could lead to reduction in future years allocations
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 approved		

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

Capital Plan 2019/20

Executive summary

The committee are asked to recommend the capital expenditure plan for 2018/19 to the Board of Management for approval.

Capital Funding Allocations 2019/20

Capital grant funding for Inverness College UHI comes from UHI but there are two separate funding streams, college and university. As with the main revenue grant funding, the Scottish Funding Council (SFC) allocates the funding to UHI in the first instance. UHI then agree how this allocation will be split across the partnership through a combination of meetings such as FERB, Partnership Council, and University Court.

The final allocations for 2019/20 were announced by SFC on 17 May 2019 for both the university and college sectors. It should be noted that the funding year for capital is from 1 April to 31 March and is not in line with the College financial year beginning 1 August.

FE Capital

Board members may recall the significant change in the 2018/19 capital allocations for the college sector. This was in response to a survey that was commissioned by SFC during 2017/18 to identify the condition of college estates across the sector. The outcome resulted in funding targeted at specific buildings identified in the sector condition survey but a reduction in the general lifecycle maintenance allocation.

For 2019/20, the FE sector faces a further reduction in general lifecycle maintenance from £12.5m in 2018/19 to £8.6m in 2019/20. This is then supplemented by funding for high priority backlog maintenance which was £26.9m in 2018/19 and is £12.4m in 2019/20.

The UHI regional allocation for 2018/19 for backlog maintenance identified through the survey was £3,844,150 whilst the general lifecycle maintenance amounted to £822,257. For 2019/20, the backlog maintenance value is £958,000 and the general lifecycle maintenance is £574,000.

For Inverness College UHI the 2018/19 allocation for backlog maintenance was £60,665 and the general lifecycle maintenance allocation was £133,940 giving a total FE capital allocation for 2018/19 of £194,605. The proposed allocation for Inverness College UHI for 2019/20 is £68,644 for general lifecycle maintenance and £4,299 for backlog maintenance giving a total of £72,943.

This capital allocation would normally be split between revenue maintenance and capital for works and/or equipment. In 2018/19 £70,000 was allocated to revenue maintenance and £63,940 for capital expenditure. With the vastly reduced allocation, it is proposed that the allocation of £72,943 for 2019/20 is wholly allocated to revenue maintenance.

HE Capital

The HE capital funding allocated to UHI comprises two elements of capital maintenance grant, and research capital from the Department of Business Innovation and Skills (BIS). The main HE capital allocation can only be applied to buildings works and cannot be used, for example, to purchase equipment. However the BIS element can be used on either buildings or equipment provided it is connected to research.

The UHI allocation of capital maintenance grant for 2019/20 is £855,481 (2018/19 - £937,091) – a decrease of £81,610 or 8.7%. The allocation for research capital from the Department of Business Innovation and Skills (BIS), has not yet been announced.

The allocation of the capital maintenance grant to academic partners for 2019/20 is allocated on the basis of student activity measured by FTEs taken from the 2018/19 mid-year student FTEs. The 2019/20 capital maintenance allocation proposed for Inverness College UHI is £170,919 (2018/19 £187,412).

Capital Expenditure Plan 2019/20

The reduction in FE capital allocation and restrictions on the use of HE capital flexibility. It is recommended that any urgent equipment requirements are addressed through application to the Scottish Colleges Foundation for funding and that the FE funds are directed solely to revenue maintenance.

Proposed Capital Plan	2019/20 £	2018/19 £
Grant Funding		
FE Capital and Maintenance Grant	68,644	133,940
FE Backlog Maintenance	4,299	60,665
HE Capital Grant	170,919	200,379
Less allocated to revenue maintenance	(72,943)	(70,000)
Total Capital Grant	170,919	324,984
Capital Expenditure		
ICT Equipment	-	63,940
General Equipment	-	-
Buildings	170,919	261,044
Total Proposed Capital Expenditure	170,919	324,984

Board of Management

Subject/Title:	Business Development report - CITB
Meeting and date:	Board of Management – 25 June 2019
Extract from Minutes of the Meeting of the Finance and General Purposes Committee held on 6 June 2019	

BUSINESS DEVELOPMENT REPORT

A report by the Director of External Relations provided an update on business development activities and a comprehensive update to the CITB sub contractor issue.

Since the CITB issue had been brought to the attention of the committee at its meeting in March, Colleges Scotland had led a negotiation with CITB, asking them to increase the proportion of funding paid to the Colleges to enable the recruitment and deployment of work based assessors and legal advice had been provided to the Sector on the sub-contractor agreements. The Government had confirmed in mid-May that it would not pay Colleges the additional costs of assessors (£2.2m in 2018/19 alone) and SQA would not delay the implementation of the Construction framework further. An extraordinary meeting of the College Principals Group was held at the end of May when a range of options around resolution were considered, both for current students and for future students (2019/20 intake).

The Director of External Relations provided an update, advising that she had taken a call from the UK Director of CITB where he had indicated that CITB were meeting on Monday 10 June to discuss the level of funding which was required for the assessors. This was considered to be a positive move by CITB.

It was clear that there were considerable risks, but it was also acknowledged that there could be opportunities from the current situation. Further discussion would take place on the contract agreement, particularly the concerns which had been highlighted about the wording of the termination clause.

The Director of External Relations confirmed that Colleges, following CPG advice, were no longer holding a position nationally but that CITB were looking to work with the three main providers, namely Inverness, Perth and Forth Valley Colleges.

The Committee **AGREED** to recommend option 3 within the report to the Board of Management for approval

“Rapid transition. Maintain framework contract with CITB but do not take part in 2019-20 “call-off”. All new construction MA starts delivered through college contract.”

Whilst also acknowledging that the College might need to move to option 4, but only if it was unable to recruit sufficient MA’s or full-time construction students to make up for the credits associated with the sub-contract.

The Committee also sought clarification on the figures in Table 1 within Appendix 1 and the Director of External Relations confirmed that an amended table would be circulated to members.

The Committee welcomed the positive position on the other business development activities outlined in the report.

Board of Management

Subject/Title:	CITB Update
Author:	Georgina Parker, Director of External Relations
Meeting:	Finance & General Purposes Committee
Meeting Date:	6 June 2019
Date Paper prepared:	30 May 2019
Brief Summary of the paper:	<ul style="list-style-type: none"> • See CITB update provided and Appendices III to V
Action requested: [Approval, recommendation, discussion, noting]	The committee is requested to discuss the business development update paper and to decide whether to recommend the signature of the CITB framework agreement.
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 • SFC audit New opportunity: <ul style="list-style-type: none"> • Additional FWDF funding for 18/19 and 2019/20 • Growth in Modern Apprenticeship contract • CITB Apprenticeship recruitment Risk Management: <ul style="list-style-type: none"> • UHI regional contract • CITB qualification and contract issues
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 resource FWDF funded courses Organisational: <ul style="list-style-type: none"> • Reputational risk associated with CITB MAs requiring assessment. Financial: <ul style="list-style-type: none"> • Credits associated with CITB MAs
Equality and Diversity implications:	Yes/No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	Continued consultation with UHI and partners in relation to regional MA contracting model.
Status – [Confidential/Non confidential]	Non confidential
Freedom of Information	Yes

Can this paper be included in "open" business* [Yes/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)		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

1. Business Development Directorate Update

1.1 Construction Industry Training Board (CITB) Sub-contractor Issue

- 1.1.1 A full update on the CITB sub-contractor situation was provided to F&GP in March 2019 (see Appendix III).
- 1.1.2 Scotlands Colleges have been subcontractors to CITB for over 30 years for Construction Modern Apprenticeships. The funding provided by CITB to Colleges, together with the SFC credits claimed was sufficient to fund this activity and to make some contribution to overheads. CITB contracts with SDS for the Apprenticeships and retains approximately 70% of the funding, paying the balance of 30% to the Colleges for providing all of the associated training. In 2017/18, the requirements of the CITB Framework changed to necessitate onsite assessment and observation and therefore the employment of Assessors.
- 1.1.3 Colleges Scotland led a negotiation with CITB asking them to increase the proportion of funding paid to the Colleges to enable the recruitment and deployment of work based assessors. This negotiation was supervised by the Colleges Principals Group (CPG) and eventually resulted in an increase of 20% (which is essentially an increase of 20% on the 30% of the SDS rate), which is insufficient to cover the increase in costs. Government officials were brought in to the negotiations and conducted an appraisal of the Colleges' estimate of the increased costs, which they agreed were accurate.
- 1.1.4 During the negotiation period, the Colleges sub-contractor agreements with CITB expired. The new agreement contained a number of contentious clauses, which were highlighted in the March report (Appendix III). Clauses relating to termination were of particular concern and following a legal appraisal via Scotlands Colleges' solicitors, some minor amendments were agreed by CITB. The solicitors however are still advising caution in relation to the agreements. Appendix IV provides a copy of the legal advice following the amendments.
- 1.1.5 On 15th May a decision tree was presented to the CPG (see Appendix V). Principals agreed that the national advice not to sign the agreement would be lifted and each College was to decide the way forward based on its own circumstances. The Colleges had continued to work with the CITB apprentices outside of any contract and claimed SFC credits as usual. Failure to sign the CITB agreement in year prevents them from claiming the associated CITB sub-contractor income. As the decision tree shows, the sector was awaiting confirmation as to whether the Government would agree to pay Colleges the additional costs of assessors (£2.2m in 2018/19 alone) and whether Government had persuaded SQA to delay the implementation of the Construction framework further.
- 1.1.6 On 23rd May, Government provided confirmation that they would not pay the assessor costs and that SQA had refused to delay the payment.
- 1.1.7 An extraordinary meeting of the CPG was called on 27th May and an options appraisal was presented (see Appendix V)
- 1.1.8 As outlined in the March report (Appendix III) Inverness College UHI took steps to mitigate the impact of this issue and secured a contract from SDS to enable it to deliver Construction Modern Apprenticeships directly (as it

does in most other sectors), in order to benefit from 100% of the SDS funding.

1.1.9 To date we have secured 56 Modern Apprentices on our direct contract, including new starts and transfers of existing employers' apprentices to our contract.

1.1.10 We have recruited 3 assessors and plan to recruit a further 2 in 2019/20.

1.1.11 The committee is asked to consider this situation in the context of the information presented and the options appraisal (Appendix V). The SMT recommends working towards Option 3, whilst acknowledging that we may need to move to Option 4 only under the circumstances that we do not recruit sufficient MAs or full time construction students to make up for the credits associated with the sub-contract..

1.1.12 The committee is asked to decide whether it recommends the signature of the 3 year CITB framework agreement and the associated annual call-off contract for 2018/19, in light of the legal advice presented in Appendix VI. This would result in releasing the associated income of approximately £240K based on 17/18.

CITB Sub-contracting Update – 17 March 2019

Allocation of Construction Modern Apprenticeship Starts

Since the CITB sub-contracting update went to Finance and General Purposes Committee, we have received confirmation that UHI has been allocated 230 Construction Modern Apprenticeship starts. Of these 230 UHI starts, 102 starts were requested by Inverness College UHI, for the reasons indicated in the paper including providing SDS with an alternative to contracting with CITB.

We did not expect that we would receive the full allocation, as it is usually SDS policy not to allocate starts in a sector where starts are already available via an existing provider. For instance, when Forth Valley applied for starts in 2018/19, they were only allocated 8.

However, a review of the allocations for Construction MAs nationally shows that a number of colleges and CITB itself have received allocations. This indicates that SDS is effectively hedging its bets but also that CITB has named colleges as sub-contractors in their bid, without having contracts in place with them. College's Scotland has arranged for a legal review of the CITB framework agreement, which is currently underway.

This allocation enables us to compete with CITB and to deliver construction apprenticeships, potentially drawing down 100% of the available funding.

Some colleges are considering whether to advise CITB that they will not be enrolling students on to the SVQ but will deliver the College based aspect of the MA framework. I believe that this is a course of action that we should consider, as the assessment of any new construction MA starts through CITB would be at our cost and would require 3 additional assessors to those already planned, at an additional cost of £118K in 2019/20. The risk associated with this is that it could force CITB to engage its own assessors or to source assessors from private training providers, which could weaken our position in the market by bringing another provider on board and decrease the credit funding available.

Potential additional funding

A further update is that it has been indicated that SFC will shortly make an announcement that a further £2.5m will be provided to colleges to enable them to recruit assessors to provide assessment to apprentices who are already on programme with CITB. This has not been officially confirmed. If this is not confirmed, then we are still in a position that the previous contribution to overhead in relation to the Construction CITB programme will be all but illuminated. This would mean that 9% of our FE credit delivery would be providing no contribution to overhead. However, failure to recruit assessors and undertake assessment on the existing apprenticeships would post a significant reputational risk both with SQA with whom we have registered the SVQs, employers and the public.

Direct Delivery of Construction MAs

Actions to promote direct apprenticeship delivery have been underway since October 2018, targeting individual employers in the construction sector with our offer. Take-up has been limited due to the long-term relationships that CITB has with employers, many of whom undertook CITB apprenticeships themselves over the past 30 years.

Since the allocation confirmation was received on Wednesday 13 March, an industry event to attract both employers and potential apprentices has been arranged for Thursday 4th April, with a second event later in April. This event will be promoted through a multi-channel campaign as the launch of our apprenticeship programme.

Interviews for construction assessors commenced on Wednesday 13th, with the first Joinery assessor being offered a full-time role.

CITB Sub-contracting Report – Inverness College UHI - Confidential

1. Executive Summary

CITB is the main provider for Construction Modern Apprenticeships (MAs) in Scotland. CITB undertakes the employer engagement activity and Scotland's Colleges deliver the Modern Apprenticeship qualifications (as sub-contractors). CITB does not undertake any training delivery under its contract with Skills Development Scotland.

For ICUHI, the funding associated with the CITB sub-contract for Construction Craft Modern Apprenticeships provided 2572 credits in 2017/18 (equivalent to £642K income) plus £172K SDS funding via CITB in 2017/8 (There is an additional £68K CITB funding relating to areas unaffected by the qualification changes).

The SVQ qualification standards changed in 2017/8 and SQA has confirmed that simulated (college based) evidence is no longer acceptable, necessitating the employment of assessors at a cost to the college over £189K per annum. This is an additional cost.

The qualification change also raised a potential issue that existing MAs may not have access to the full range of jobs required to meet the standards without simulated evidence.

CITB currently pays an average of approx. 31% of the SDS funding rate over to Colleges, retaining the balance. ICUHI's mix of provision attracted 36% of the SDS funded rate in 2017/18.

After initial negotiations, CITB offered a fee increase of 14%, leaving a £165K gap for ICUHI between the additional cost of employing assessors and the additional funding. ICUHI successfully tendered for the CITB framework for 2018/19 – 2021/2 but has not signed the Framework Agreement, in line with College Principals Group (CPG) recommendations

CITB effectively has a monopoly, largely due to the SDS contracting rules (SDS does not award provision where other provision is available locally, which prevents Colleges from gaining direct contracts). CITB can only currently meet the SDS contracting criteria by naming Colleges as sub-contractors.

After a year of negotiation between College Principals, Colleges Scotland, CITB and Scottish Government, an increase of 20% has been offered, backdated to the 2018/19, equivalent to approximately £34K in the case of the College's Construction Craft MAs. This still leaves £155K gap between the additional cost of assessors and the additional funding.

Based on this offer, the College Principals' Group on 4th February 2019 recommended that Colleges signed contracts with CITB but only for the current year 2018/19.

However, there are a number of clauses in the three-year framework agreement, which give rise to concern. In particular, clauses relating to contract termination, claiming of additional funding and TUPE. Colleges have therefore held off on signing and the CPG meetings continue. See Annex 2.

Scotland's Colleges have expressed an interest in becoming Direct Contractors to SDS for Construction MAs and to benefit from the full MA funding. ICUHI has entered a bid (as part of the UHI consortium) for 102 direct MA Construction places for in 2019/20. We expect a response from SDS at the end of March.

2. Background

Construction MAs accounted for 23% of the entire MA population nationally in 2017/18 funded by Skills Development Scotland at a value of over £12 million.

CITB sub-contracts all of the programme delivery under its MA contract to local and regional Colleges across Scotland, via three-year Framework contracts that set terms and conditions together with associated payment rates. Call-off agreements are issued annually, which set out the associated candidate numbers.

ICUHI has been a sub-contractor of CITB for over 30 years, providing training and assessment of construction craft and core skills qualifications in line with Modern Apprenticeship framework requirements.

Annual payments to ICUHI from CITB amounted to £241K in 2017/18 (of which £172K related to construction craft and the remainder technical Mas).

ICUHI draws down credits from SFC for College delivery, in addition to the payments received from CITB set out above.

The enrolments and associated credits for CITB MAs represent a significant proportion (9%) of our SFC FE funding: in 2017/18 there were 263 enrolments providing 2572 credits worth approximately £643K. These enrolments related to learners across the 4 years of the programmes.

There were 74 craft starts in 2017/18 and 84 craft starts in 2018/19. The provision is split across three trades: brickwork, carpentry & joinery and painting and decorating. In addition, we sub-contract a small number of stone masonry starts each year to Historic Environment Scotland (HES) and we deliver Building Technology Mas in addition. For the purpose of this report, figures are based on the college's construction craft MA delivery and do not include HES or Building Technology. Currently, we are operating without having entered into a contract, so the only funding we are drawing down is the SFC funding.

3. Historical Delivery Model

The CITB MA programme is delivered over 4 years, with candidates attending the college over that period on block release, predominantly over years 1 and 2 with the remainder of the time spent with the employer in the workplace. Students in year one are full time equivalent, providing approx.. 22 credits each and part time in year two providing approx. 12 credits each.

Until 2017/18, the MA delivery model comprised of a PDA and an SVQ3, both of which were trained and assessed by our Construction team. The evidence for the SVQ was allowed to be simulated; evidence gained both in college workshops and the workplace could be used but in reality, it was heavily weighted towards college-based evidence. The SVQ3 was mapped to the PDA, so very little work was required over and above the PDA to achieve both qualifications, except for some work related reports known as CREWs (Candidate Records of Evidence from the Workplace). There was a test week at the end of years 1-3 with a skills unit at the end of year 4.

4. Revised Delivery model

The qualification requirements for Construction Craft MAs changed in August 2017. SQA, the Awarding Body and the Sector Skills Council CITB took the decision to replace the SVQ3 including the CREW with an SVQ3 generated by candidate portfolios, with all of the evidence gathered from the workplace.

There has been conflicting information from CITB and SQA regarding the work based assessment and verification requirements for the new award. However, SQA has confirmed that the SVQ3 will operate in the same way as other SVQs, necessitating direct observation and work-based assessment with evidence gathering being supported by employers.

At the same time, the approach to the skills test has changed. Delivery centres were given responsibility for organising, delivering and resulting the skills test within in the final six months of their Apprenticeship. There is now a requirement for an 'Expert Witness'; an experienced practitioner, to observe skills test assessment. The Expert Witness can be neither the employer of the learner taking the skills test, nor an employee of the sub-contracted provider such as ourselves.

5. National Contracting Position

The majority of MAs in the construction sector in Scotland are contracted through CITB; they have a contract with SDS for MAs and subcontract the educational delivery to the college sector.

The value of the SDS contract for CITB in 2017/18 was £12,430,100. The funding from SDS for a 16-19-year-old MA at level 3 is £8700. In 2017/18, the amount of money that a college received from CITB per candidate was £2454. The total income to the college sector was £3,815,970 with CITB keeping £8,614,130 to manage the service, recruit candidates and carry out SDS reviews. Full details are provided at Appendix 1.

CITB MAs account for 100% of the construction craft MAs at Inverness College UHI. The UHI partnership does not currently have Construction on its MA contract.

The reasons that UHI and the majority of other Scottish colleges have not challenged the status quo to date and applied for direct contracts for Construction are:

- Reticence to compete with an organisation on which a high level of SFC credits is reliant
- SDS tender criteria means that providers are unlikely to be awarded contracts where another provider of sufficient quality exists in the geographical area (in this case CITB – albeit with all of the educational delivery being undertaken by Colleges)
- Complicated contracting and payment methodologies reported across unusual funding periods have made it difficult to establish exactly what is being paid and for whom, over time, in comparison to the rates of funding paid to CITB by SDS.

6. Key Issues Arising from New Delivery Model

The lack of clarity from SQA on how the SVQ3 was to be assessed caused confusion across the College sector in Scotland. This confusion has taken over a year to resolve, with guidance from SQA changing during this time and CITB providing conflicting information. This has exacerbated the problem, as we have now effectively missed the first year and a half to undertake assessment. This is a particular issue for the 25+ year old MAs, whose term of training is half that of their younger counterparts at 2 years.

The requirement to undertake on the job assessment means that we will need to employ on-the-job assessors for the SVQ3. Table 1 below shows that at least 4.5 assessors are required immediately, across the three trades. This will cost approximately £189K per annum based on a £32,000 salary with 31% on-costs equating to £41,920 per assessor

The qualification change also raised a concern that existing MAs may not have access to the full range of jobs required to meet the standards without simulated evidence. For instance, somebody working with a company that mainly does concrete work or rough casting is unlikely to undertake work such as building chimney breasts or curved work required for the brickwork SVQ3 or a company putting in windows, kitchens or shop fitters may not put in stairs. This would require significant input from the college to arrange other work, either with another employer or independently to meet the needs of the qualification standard.

CITB currently pays an average of 31% of the SDS funding to Colleges, retaining the balance (36% in the case of ICUHI). There has been a small increase resulting from pressure across the sector of 20% for 2017/18, equivalent to approximately £34K in the case of the College. See Appendix 2 for the full fee structure.

There is therefore a £155K gap between the new additional cost and the 20% price increase.

Assessment and verification would need to commence from the time of enrolment onto the SVQ3. The experience of trying to bring in the CREW has shown that there are issues with obtaining evidence and even signatures from employers. As employers have not been used to identifying and authenticating evidence for a qualification as part of their work, this will require significant input from Assessors to help them understand the changes in the system, what this means for them and their employees and essentially understanding/interpreting the qualification standards.

The demand for skilled and qualified construction workers and fact that work based assessment has been rare in the construction craft sector in Scotland to date, does potentially affect the pool of Assessors that would be available and trained to undertake this work. Given that other colleges will be in the same position as ourselves, indeed some have already begun to recruit Assessors, there may well be a shortage of qualified individuals to undertake this work.

Although there is a significant financial implication in recruiting, the reputational risk of candidates not completing their qualification is significant.

There have been discussions at the ESP Construction group about training of new recruits to get their LD9Di Assessor award or trying to share staffing resource. If potential

assessors and verifiers are recruited that have industry knowledge but no assessors qualification, then they will need support from the construction team to complete it.

ICUHI approved the recruitment of the 4.5 assessors in January 2019. Recruitment is in progress.

6.10 Table 1 – Assessor Requirement by Trade

Subject	Actual MA's by Year and Age				Weighting			Total	Ass.
	Y1 (16-24)	Y1 (25+)	Y2 (16-24)	Y2 (25+)	0.5	1	2	Weighted	FTE
BW	14	?	7	2	14	7	4	25	0.7
C&J	48	?	43	4	48	43	8	99	2.8
P&D	22	?	12	0	22	12	0	34	1.0
Total	84	?	68	6	84	62	12	158	4.5

The rationale for the weighting is as follows:

Given the widespread geographical distribution of the MAs that we support, the average caseload per assessor will need to be 35 MAs.

Y1 weighting of 0.5:1 as there will be limited off the job assessment but there will be an initial assessment, sign-up and regular progress review requirement

Y2 (16-18) weighting of 1:1 as this will be a standard MA

Y2 (25+) weighting of 2:1 as the current Year 2s will have to complete in 1 year, so will need intensive assessment

7. Financial Implications

The financial implications for the college and indeed the sector are significant for two main reasons, increased delivery costs and continued underfunding from CITB.

As highlighted earlier in this paper, in order to be able to deliver the SVQ3 to the 2017/18 start cohort, recruitment of the required WBL staff is underway. The additional cost of 4.5 FTE is in the region of £189K however, without these staff in place there is a significant risk that some of the 2017/18 cohort will not achieve.

The 2-year adult MA cohort (2017/18 intake) was identified as a priority group in terms of completing the required assessment portfolio of evidence within the required timescale. There were 6 adult enrolments in 2017/18.

Table 2 below shows the income and expenditure for Construction Craft MAs based on the 2017/18 cohorts. This shows a healthy contribution to overhead of £294K.

Table 2 – Income and Expenditure Based on 2017/18 Cohorts

	£ (000)
Painting & Decorating*	152
Carpentry & Joinery*	256
Brickwork*	153
Expenditure total:	521
CITB Income	172
Credits Income	643
Income total:	815
Contribution to overheads	294

*Approximations based on top line budget reports

Table 3

Construction Sector Funding and Start Data for 2017/18

2017/18	16-19	20-24	25+	Total
CITB contract starts	1,118	300	137	1,555
Total SDS/CITB contract value	£9,726,600	£1,950,000	£753,500	£12,430,100
Total College income from CITB	£2,743,572	£736,200	£336,198	£3,815,970
Total CITB income from SDS	£6,983,028	£1,213,800	£417,302	£8,614,130
SDS candidate funding	£8,700	£6,500	£5,500	
College Fee from CITB per candidate	£2,454	£2,454	£2,454**	
CITB income from SDS per candidate	£6,246	£4,046	£3,046	
% of MA funding associated with training	28%	38%	45%	31%

8. Current Situation

College Principal's Group & Colleges Scotland Advice

The College Principals' Group (CPG), with support from the Business Development Directors Group, met throughout 2018 through to February 2019. Colleges Scotland, Scottish Government and a range of representatives from the College sector worked to try to negotiate with CITB. This resulted in an offer of a 14% increase in funding which was later increased to 20%. The CPG presented data to Scottish Government to seek its support, through intervention or additional funding.

However, it is my view that there is already sufficient funding and the real issue is that the main contractor (CITB) is keeping a disproportionate amount of this (over 60%). Over 60% seems to be an unreasonable proportion of the funding to retain, when the only activities that the main contractor undertakes are contract management and the employer engagement.

The February 4th decision of the CPG is outlined in the following Advice Note from Colleges Scotland. The advice is to sign the CITB Agreement but only for a period of the current year 2018/19.

I raised a number of queries with College's Scotland through the Business Development Directors' group regarding the CITB Framework agreement, which I felt conflicted with the advice to sign the contract for a period of one year. These are outlined in Annex 2 below.

However, ICUHI and 32 other Colleges in Scotland have arguably provided services under the framework agreement by enrolling students onto their qualifications in 2018 and delivering training. Until the Agreement and any call off contract is signed, we cannot get paid for the work that we have done except for the credits being claimed via SFC.

This Colleges Scotland note also clarified the SQA position regarding on-site-assessment requirements and consequently, assessors must now be recruited to enable the delivery of the current SVQ3. Recruitment is in progress.

Bid for SDS Direct Contract for Construction MAs

We have articulated our direct Modern Apprenticeship offer to employers. However, many construction companies are reticent to move away from CITB, who have 'provided' their MAs for many years. Two large employers and a handful so far of small employers have agreed to work direct with us as their provider.

In the meantime, we have included 102 construction starts in the UHI hub tender. The rationale for this was to:

1. Provide SDS with an alternative to contracting with CITB.
2. Give SDS an indication of our ambitions/intentions to work directly with the construction industry to provide their MAs.
3. Gain access to construction via a direct contract.
4. Meet the demand from the companies who have committed to contract with us directly, including Highland Council, Morrisons and a range of SMEs.
5. Align with Scotland's Colleges, the majority of which have
6. Attempt to reduce any competition from private training providers.

I would anticipate that we will receive a smaller allocation than that which we have requested, although our bid is strong due to our historical delivery performance through CITB.

We will not receive a response to this until around 31st March 2019.

The contract for 2019/20 commences on 1st April 2019.



Advice Note following College Principals' Group (CPG) Discussion on the Construction Industry Training Board (CITB) on Monday 4 February 2019

CPG Decision

The following recommendations were agreed by the CPG:

- Accept the 2018-19 offer from CITB, with the caveat that it is for 2018-19 only
- Utilise additional funding in 2018-19 to support adult apprentices nearing completion
- Apply to increase the volume of direct college contracts from 2019-20 and beyond
- Continue to campaign for a pause in implementation of the new assessment strategy from SQA to aid transition process
- Continue to work with Scottish Government, Skills Development Scotland (SDS) and CITB to seek a sustainable funding solution for 2019-20 and beyond
- Consider, with stakeholders, the viability of the ongoing CITB contract and impact on apprentice volumes if pragmatic solutions can't be found – decision point March / April 2019 at SDS contract award

Summary

As a summary, the CPG:

- welcomed the revised increased offer from CITB for 2018/19 but were concerned over the impact on costs from 2019/20 onwards
- cautioned at signing a contract that stretches beyond 18/19
- voiced support for transitioning to becoming Managing Agents
- recognised the benefits of a united sector position
- asked for the production of an advice note expanding on the recommendations in the slides,

Context

The context in which this Advice Note is prepared is as follows:

- The Scottish Qualifications Authority (SQA) has stated that there will be no change to the implementation timetable for the introduction of the new assessment framework.
- The 2017/18 cohort will enter year 3 in 2019/20 and there will be a deficit funding position from this point forward.
- Colleges Scotland has prepared costings and **made a request of Scottish Government to provide additional funding of approximately £2m for 2019/20 (which rises to a re-occurring £4m per annum from 2020/21 onwards) to cover the shortfall in funding across the college sector to cover the new costs being incurred.**
- Recognise that the response from Scottish Government on the ask for additional funding for 2019/20 onwards is unlikely to be received in the immediate future.

CITB Clarification

Following the CPG meeting, Colleges Scotland and the CITB Working Group took forward discussions with CITB on how the contract can be presented in a way that allows the recommendation of the CPG to accept the offer, with the caveat that it is for 2018/19 (year 1 of the 4-year programme) only, to be delivered. CITB has now produced a letter of clarification, a copy of which is set out in **Appendix 1** to this Advice Note.

Advice

In view of the above, the CITB Working Group provides the following advice:

- Each individual college to consider the context set out above and the CITB clarification letter, as well its own particular circumstances in relation to construction Modern Apprenticeships.
- Note the current position that there has been no response from the Scottish Government on the ask for additional funding for 2019/20 onwards, so at this stage signing up to the contract for 4 years would leave colleges in an overall deficit position on the delivery of the construction Modern Apprenticeship programme (even taking into account the 20% increase in funding from CITB).
- In collaboration with the college's board of management and recognising this is a decision for each individual college, include, if signing the contract, a letter of amendment that the college is signing for 2018/19 (year 1 of the 4-year programme) only, until further details are known on the 2019/20 funding position.

Colleges Scotland
February 2019

Colleges Scotland 2

07.02.19

Andy Witty
Director of Sector Policy Colleges Scotland Argyle Court
Castle Business Park Stirling
FY9 4TY

**Bircham Newton King's Lynn
Norfolk PE31 6RH**

steve.hearty@citb.co.uk

Dear Andy

Following on from our recent positive dialogue I can now formally confirm the final amendments to our offer.

As discussed, the rate increase will apply to 18/19 learners and discussions will be held prior to 19/20 intake to reflect any changes in funding either through Scot Gov, SDS or FC. I would also signpost you to the termination clause within our contract which provides colleges with options should they not wish to work with CITB in the future. The 20% increase is reflected by moving fees from £2454 to £2945 as agreed with college stakeholder representatives.

In terms of the payment schedule, I confirm we will maintain the previous schedule. The payment schedule itself is a separate document from the main contract and is only issued to colleges to provide guidance on how fees will be paid. Please take this letter as confirmation that the payments will be made in line with the previously agreed process and weighting.

CITB look forward to continued partnership working with the college network on initiatives that can make a positive difference to the recruitment and training of people wishing to join the construction sector and I'm sure we will have further dialogue on this in the near future.


I would like to thank the College Principals Group and Colleges Scotland for engagement on this matter as we all seek to move forward and continue to support our employers and the apprentices that we train together.

Yours sincerely

Steve Hearty
Director of Apprenticeships and Standards

Colleges Scotland 3

Annex 2: Contentious extracts from the CITB Framework Agreement

- 5.4. If the Provider receives a Call-Off ITT and wishes to bid for the Services described in that Call-Off ITT, it shall respond to the Call-Off ITT within the specified deadline which response shall include:
- 5.4.1. Confirmation of the availability of places on each of the courses requested ;
 - 5.4.2. where no course is currently planned and/or there is no availability on any current course, details of the minimum number of learners required to make running that course commercially viable for the Provider;
 - 5.4.3. Details of the geographical locations of the Provider at which each course can be provided.
- 5.5. CITB shall allocate the available Learners to Capable Providers on the basis of the Award Criteria set out in Schedule 1.
- 5.6. CITB shall be under no obligation to award any Services under this Framework Agreement following the issue of a Call-Off ITT.
- 5.7. By way of confirmation of the award of a Call-Off Contract, CITB will submit an Award Letter to each successful Framework Provider which:-
- 5.7.1. confirms the Services required; and
 - 5.7.2. incorporates the Call-Off Terms and Conditions
- For the avoidance of doubt, the Provider is not authorised to commence delivery of the Services until receipt by CITB of an Award Letter signed by the Provider.
- 
- 5.10. The Provider shall indemnify and keep indemnified CITB against all costs claims demands losses and expenses suffered or incurred by any person as a consequence of the Provider providing the Services other than in accordance with this Agreement in general including any costs incurred by CITB in arranging for alternative Providers to continue delivering the Services to Learners recruited by the Provider in breach of this Framework Agreement.

- 8.1. The Provider shall take appropriate steps to ensure that neither the Provider nor any Staff are placed in a position where (in the reasonable opinion of CITB) there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the Provider and/or Staff and the duties owed to CITB under the provisions of this Framework Agreement and/or any Call-Off Contract and the Provider shall promptly notify and provide full particulars to CITB if any such conflict arises or is reasonably foreseeable.
- 8.2. The Provider shall not enter into any contract with any political or religious organisation using any funding provided by CITB under this Framework Agreement or any Call-Off Contract if the effect of that contract would be to promote a particular political or religious point of view.
- 8.3. Without prejudice to any other right or remedy of CITB, CITB reserves the right to terminate this Framework Agreement and/or any and/or all Call-Off Contracts immediately by giving notice in writing to the Provider and/or to take such other steps it deems necessary where, in the reasonable opinion of CITB, there is or may be an actual conflict, or a potential conflict, as described in clause 8.1.

10. European Funding and Other Sources of Funding

- 10.1. The Provider must not use any funding or payments of any nature received under or pursuant to this Framework Agreement or any Call-Off Contract for the purpose of making bids or claims from any European source of funding on its own behalf or on behalf of CITB including but not limited to match funding, without obtaining consent in writing from CITB.
- 10.2. Where the Provider has access to other funding streams, the Training Provider will be required to demonstrate through accounting, management information systems and any other relevant evidence (in the sole discretion of CITB or any other body undertaking the audit or monitoring) to CITB that no double funding has occurred in respect of the Services delivered under the Framework Agreement and any and all Call-off Contracts.
- 10.3. Where CITB (or The Skills Development Scotland Co. Limited) identifies double funding in respect of the Services, the Provider shall repay to CITB on demand any sums paid by CITB in respect of the Services for which the Provider has received funding from another source and CITB reserves the right to deduct such sums from any monies due or payable to the Provider under this Framework Agreement or any Call-Off Contract.

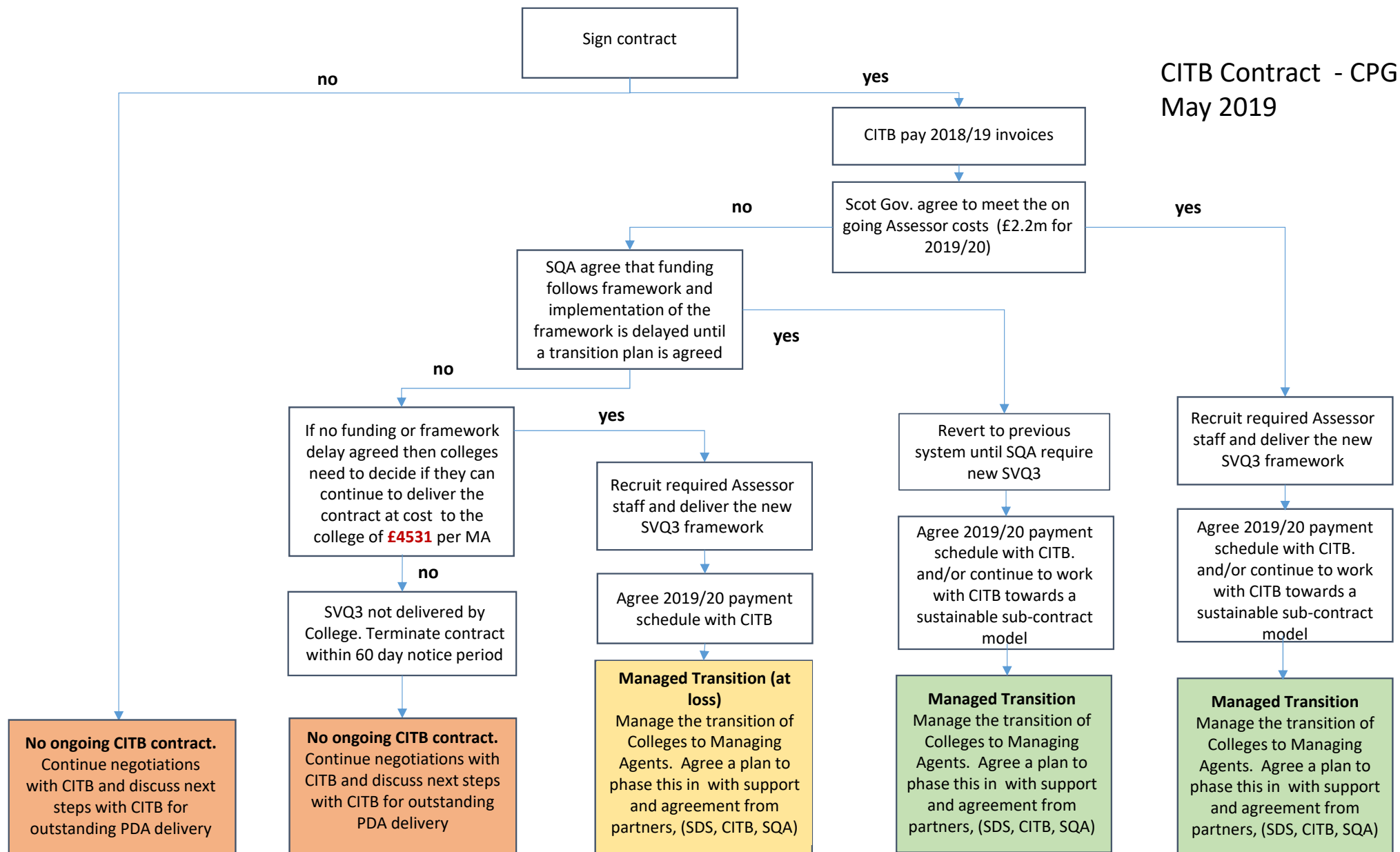
- 28.4 Termination or expiry of this Framework Agreement shall be without prejudice to any rights, remedies or obligations of either Party accrued under this Framework Agreement prior to such termination or expiry.
- 28.5 Any provision of this Framework Agreement which either expressly or by implication is intended to come into or continue in force on or after termination of this Framework Agreement shall survive the termination or expiry of this Framework Agreement.

Framework Agreement

For the avoidance of doubt, notwithstanding the termination or expiry (howsoever it occurs) of any or all of these contractual arrangements (including, without limitation, the Appendices, the Call-Off Contract or the Agreement) the Training Provider's obligations to complete at its own expense the course of training set out in the agreement between the Training Provider and the Learner shall remain in full force and effect until that course of training is completed.

Furthermore, this clause 28.5 shall survive any such termination or expiry as is referred to above and shall remain in full force and effect until the Apprenticeship programme is completed.





Briefing Note for Extraordinary College Principals' Group (CPG) teleconference on CITB, to be held Tuesday 28 May 2019, 1100-1200 (Non-disclosure)

Introduction

The purpose of the Extraordinary CPG is to provide an update to the CPG following recent decisions by the SQA and Scottish Government, and to set out potential options for colleges to take. Whilst it will be for individual colleges to decide the most appropriate option for them, the conference call will also help establish if there is growing consensus around any particular option.

Current Position

The following table sets out the current position around the potential mitigating solutions that were being pursued to help offset the additional costs faced by colleges from 2019/20, as a result of the introduction of the new assessment framework.

Proposed Resolution Options	Current Position
SQA delay implementation of framework to allow achievement for 2017/18 and 2018/19 intake.	<p>The second request to SQA for a delay in implementation of the new framework not granted.</p> <p>Implementation of the new framework and additional VQ3 assessment and verification delivery required from August 2017.</p>
Scottish Government or CITB provide funding to meet the additional Assessor and Verifier costs	<p>Scottish Government reviewed the regional cost profile of Assessor and Verifier costs and agreed that the methodology was robust.</p> <p>Scottish Government is not prepared to meet the cost of £2.2m.</p> <p>CITB have offered an additional 20% for 2018/19 only however it still leaves a significant shortfall.</p>

Options around Resolution for Current Students

Future Resolution Options for current students	Implications
<p>Scottish Government/SQA/CITB do not delay or meet the shortfall in Assessor Costs.</p> <ol style="list-style-type: none"> Colleges terminates the contract with CITB Colleges terminates the contract and opens negotiation with CITB for delivery of PDA element of new framework ONLY for current MAs. 	<p>Modern Apprenticeships (MAs) at risk of non-achievement and reputational damage significant.</p> <p>Option needs to be made to CITB. Assessment and Verification would need to be provided by CITB or a new subcontractor. If CITB agreed there would still be a risk of MA non achievement and reputational damage, due to timelines</p>

3. Colleges absorb additional Assessor and Verifier costs and see out the contract for 2017/18 and 2018/19 intakes	MAs complete the programme. Timelines to achieve VQ3 are challenging and there are still MAs at risk of non-achievement and reputational damage as staffing not in place in many areas. College's absorbing additional costs over the next 3 years may significantly impact other areas of College delivery through the requirement to make efficiencies.
--	---

Options around Resolution for Future Students – 2019/20 intake

Options	Risks	Benefits
Option 1: Do Nothing. Carry on delivering construction Modern Apprentices as a sub-contractor to CITB	<ul style="list-style-type: none"> Financial losses Reputational damage – contrary to sector voice 	<ul style="list-style-type: none"> Continuation of service to apprentices Continuation of credits
Option 2: Serve notice. Remove service as sub-contractor to CITB. Cancel contract in its entirety.	<ul style="list-style-type: none"> Significant effect on current apprentices Reputational damage associated with above Potential reduction in credits 	<ul style="list-style-type: none"> Potential to be best financial solution In line with previous message to stakeholders
Option 3: Rapid transition. Maintain framework contract with CITB but do not take part in 2019-20 “call-off”. All new construction MA starts delivered through college contract	<ul style="list-style-type: none"> Potential to affect new apprentice numbers Internal structure capacity Financial loss on 3rd and 4th years Requires Scottish Government lead transition plan 	<ul style="list-style-type: none"> Reduces financial loss Drives apprentices to college solution (lack of competition) Reputationally sound and in line with previous message to stakeholders
Option 4: Staged transition. Maintain framework contract with CITB and transition to college contract over x years. 2019-20 starts are mixed between college and CITB	<ul style="list-style-type: none"> Competition with CITB may limit transition effectiveness Financial loss on all CITB starts Requires Scottish Government lead transition plan 	<ul style="list-style-type: none"> Reduces financial loss from option 1 Allows college capacity to grow organically

Colleges Scotland
May 2019

HIGH-LEVEL ADVICE NOTE PREPARED FOR COLLEGES SCOTLAND (“CS”) IN RELATION TO THE CONTRACTS WITH CONSTRUCTION INDUSTRY TRAINING BOARD (“CITB”)

1. INTRODUCTION

1.1 Note prepared for Colleges Scotland

This Note has been prepared for the benefit of Colleges Scotland (“CS”) only. Although we appreciate this Note may be shared by CS with relevant colleges given CS’s role, in terms of our own position, this Note is prepared for CS’s use only. Any liability to third parties placing reliance hereon is strictly excluded.

1.2 Basis of this Note

Our Note has been prepared on the basis of:

- CS’s request for legal advice as set out in its document dated March 2019 and entitled ‘Legal Advice Sought by the Construction Industry Training Board Working Group (“**CITB Working Group**”) in Relation to Proposed Amendments to CITB Contracts’ (“**Request for Advice**”); and
- our telephone call with CS and representatives of the CITB Working Group on 27 March 2019.

Alongside the Request for Advice, we were provided with copies of the following documents (together referred to within this Note as “**the Contracts**”):

- Framework Agreement with CITB for Lot 1 and Lot 4 (“**Framework Agreement**”);
- Call-Off Contract Terms and Conditions with CITB (“**Call-Off Contract**”);
- Variation to Framework Agreement (“**Framework Variation**”); and
- Variation to Call-Off Contract (“**Call-Off Variation**”).

When we refer to the “**main agreements**” within this Note, we are referring to the Framework Agreement and the Call-Off Contract together. When we refer to the “**variation agreements**” within this Note, we are referring to the Framework Variation and the Call-Off Variation together. Any other documents mentioned in the main agreements have not been provided to us and therefore we have not reviewed the same.

This Note considers the following specific questions as raised within the Request for Advice and clarified on the telephone call of 27 March 2019:

- Question 1:** Whether the colleges will require to sign the Framework Agreement and the Call-Off Contract first and then the Framework Variation and the Call-Off Variation thereafter.
- Question 2:** Whether the Framework Variation and the Call-Off Variation provide the ability for the colleges to terminate the Contracts upon 60 days’ notice, and if so, how this ability to terminate is to be implemented.
- Question 3:** Where a college exercises its right to terminate without cause, will it be subject to any penalties or any ongoing financial, contractual or other obligations as related to the Contracts.
- Question 4:** Whether the fact that the Contracts refer to the jurisdiction of the courts of England and Wales, as opposed to Scotland, provides any disadvantages to the colleges.

We have not reviewed and commented upon the Contracts as a whole within this Note and have limited our advice to the above specific questions.

1.3 Executive Summary

Overall, it appears that the intention of the variation agreements is to provide the colleges with the option to terminate the contracts upon 60 days' notice, however, the wording of the variation agreements is not clear and would benefit from revisal to make the intended variation clearer. This is a mutual right which benefits CITB also, and therefore CS must consider how colleges may be affected should CITB serve notice (e.g. in terms of payment; ongoing provision of the training services).

The existing wording of clauses 8.8.2 and 8.8.3 of the Call-Off Contract do allow CITB to impose ongoing obligations upon the colleges to provide the services post-completion of the Contracts in terms of an intended 'hand-over process'/contingency plan for the training service; and CITB appears to have full discretion to set the boundaries of this hand-over, including the timescale of the same (which we would assume would result in ongoing financial and other obligations to colleges). There appears to be no obligation upon CITB to pay the colleges for these continued services. Additionally, it is unclear what it means to "engage actively" at clause 33.2 of the Framework Agreement and this may involve the colleges being required to continuing to provide the training services post-termination of the Contracts.

There is no obligation upon CITB to pay any outstanding sums, owed to the colleges, upon termination of the Contracts.

We also recommend that CS discusses with the colleges whether the colleges have inadvertently or otherwise entered into direct contractual relationship with the apprentices/employers which binds the colleges to continue to provide the training services (and/or other services) despite the end of the contractual relationship with CITB. This will require to be assessed on a case-by-case (i.e. college-by-college) basis.

Please note that clause 1.6 of the Call-Off Contract suggests (perhaps due to unclear drafting) that CITB has no obligations under the Call-Off Contract including no obligations to pay the funding to the colleges.

It should therefore be noted that whilst the variation agreements provide rights of termination, there will remain ongoing obligations under the main agreements (both financial and others which will have financial implications).

2. COMMENTS IN RELATION TO QUESTION 1

Whether the colleges will require to sign the Framework Agreement and the Call-Off Contract first and then the Framework Variation and the Call-Off Variation thereafter.

Summary: We recommend that all of the Contracts are signed together at the same time.

Analysis:

For the variation agreements to have effect, and vary the main agreements, the parties will need to enter into the main agreements. We recommend that all of the Contracts are signed together at the same time to ensure that the variation agreements are entered into, as it is the variations which include the wording granting the colleges the ability to terminate, at will, upon 60 days' notice.

The Framework Agreement and the Call-Off Contract are to have effect from the 1 August 2018, but the variation agreements are to have effect from the "Variation Date" being the date to be inserted on the front pages thereof (this is a nuance of an English law contract which we have commented on further at section 5 of this Note). In the event that the main agreements are to be entered into on a retrospective basis we recommend that the variation agreements are also entered into on this basis and it is made clear that the Variation Date for both variation agreements is also 1 August 2018.

We understand that, generally, the main agreements have not been signed by the colleges and therefore we considered whether the variation agreements were strictly necessary on the basis that their terms could simply be inserted to the main agreements themselves. However, we have assumed that this is not possible and CITB has requested that the variation agreements be entered into on the basis that they act akin to 'side letters' to amend the content of CITB's standard template Framework Agreement and the Call-Off Contract.

3. COMMENTS IN RELATION TO QUESTION 2

Whether the Framework Variation and the Call-Off Variation provide the ability for the colleges to terminate the Contracts upon 60 days' notice, and if so, how this ability to terminate is to be implemented.

Summary: The intention behind the variation agreements appears to provide both parties with the right to termination upon 60 days' written notice, at any time during the term of the Contracts.

Analysis:

3.1 General comments

Generally, we are of the view that the language within the variation agreements would benefit from clarification. We would prefer that clear and express wording is used such as "clause X of the X agreement is hereby deleted in its entirety and replaced with the following wording". Otherwise, the intended effect of the variation agreements may not apply as the wording is quite ambiguous.

The main agreements can be varied so long as varied by writing and signed by the duly authorised representatives of both parties (clause 32.1 of the Framework Agreement and clause 6.3 of the Call-Off Contract).

3.2 Framework Agreement and Framework Variation

Clause 3.1 of the Framework Agreement notes that the agreement shall take effect from 1 August 2018 and "unless otherwise terminate[d] in accordance with the terms of the Framework Agreement" shall continue for the term. Therefore, this clause does allow the initial term of the Framework Agreement to terminate earlier if provided for elsewhere within the agreement.

We recommend that clause 3.5 of the Framework Agreement be amended to make clear that the Framework Agreement can be terminated prior to the expiry of the Initial Term.

Clause 2.1.1 of the Framework Variation has the intended effect (please see our comments above at section 3.1 regarding the language of the variation agreements) of amending clause 26.1.1 of the Framework Agreement so that the colleges are provided with the option to terminate the Framework Agreement upon not less than 60 days' written notice to CITB.

There does not appear to be any restriction on when this 60 days' notice may be served and therefore it could be served (in accordance with the notice provisions – please see clause 40 of the Framework Agreement) during an academic year of the apprenticeship or at any other stage throughout the term of the Framework Agreement.

This right will be mutual and CITB will also have the right to terminate the Framework Agreement by giving the colleges such notice. This right in favour of CITB is already provided for at clause 26.12.1 of the Framework Agreement, and we wonder why this is to be inserted twice, we recommend that clause 26.12 is deleted where clause 26.1 is to be varied. Where CITB has the right to terminate, CS should also consider how this would affect the ongoing liabilities/obligations of the colleges (as discussed below at section 4 below).

There is a typo at clause 2.1.1 of the Framework Variation where reference is made to the "Framework Agreement Contract" as opposed to simply the "Framework Agreement".

3.3 Call-Off Contract and Call-Off Variation

Clause 1.4 of the Call-Off Contract notes that it takes effect from and shall expire automatically on the date set out in the Award Letter (*which we have not had sight of*), unless it is otherwise terminated in accordance with the provisions of this Call-Off Contract, or otherwise lawfully terminated. Therefore, this clause does allow for the earlier termination of the Call-Off Contract if provided for elsewhere within the agreement.

Clause 2.1.1 of the Call-Off Variation has the intended effect (please see our comments above at section 3.1 regarding the language of the variation agreements) of amending clause 8.3 of the Call-Off Contract so that the colleges are provided with the option to terminate the Call-Off Contract upon not less than 60 days' written notice to CITB. There does not appear to be any restriction on when this 60 days' notice may be served (but please note the notice requirements at clause 1.8. of the Call-Off Contract).

This right will be mutual and CITB will also have the right to terminate by giving such notice; CITB has the right under the existing wording of clause 8.3 to terminate at will upon one months' notice and therefore the variation will have the effect of limiting CITB's right, by extending its notification obligations to 60 days. Where CITB has the right to terminate, CS should also consider how this would affect the ongoing liabilities/obligations of the colleges (as discussed below at section 4 below).

3.4 Terminating the Contracts together

Clause 28.2 of the Framework Agreement makes clear that termination of the Framework Agreement shall not cause the Call-Off Contract to automatically terminate. Therefore, CS must be alert to the fact that the colleges will require to separately serve notice under both of the main agreements to terminate both.

Please also note that CITB has additional rights to terminate beyond termination at will on 60 days' notice. We have not outlined these in detail throughout this Note, but it could lead to circumstances where CITB terminates the Framework Agreement but not the Call-Off Contract and therefore the Call-Off Contract will continue unless the college serves notice to this effect. This could have the result of leading to a time delay.

4. COMMENTS IN RELATION TO QUESTION 3

Where a college exercises its right to terminate without cause, will it be subject to any penalties or any ongoing financial, contractual or other obligations as related to the Contracts.

Summary: There are a number of ongoing obligations for the colleges post-termination of the Contracts, including obligations to provide the training services during an undefined contingency period, and without payment; all of which will have financial implications for colleges.

Analysis:

Please note that the colleges are referred to as the “Training Provider” or “Provider” within the Contracts.

4.1 “Consequences of termination” clauses

4.1.1 Framework Agreement and Framework Variation

Clause 28 of the Framework Agreement provides details of the consequences of termination or expiry of the Framework Agreement.

Clause 28.1 of the Framework Agreement notes:

“Notwithstanding the service of a notice to terminate this Framework Agreement, the Provider shall continue to fulfil its obligations under this Framework Agreement until the date of expiry or earlier termination of this Framework Agreement or such other date as required under this Clause 28.”

This means that the college’s obligations under the Framework Agreement shall cease on the date of termination of the agreement unless clause 28 provides otherwise.

The current wording of clause 28.5 notes:

“28.5 Any provision of this Framework Agreement which either expressly or by implication is intended to come into or continue in force on or after termination of this Framework Agreement shall survive the termination or expiry of this Framework Agreement.

For the avoidance of doubt, notwithstanding the termination or expiry (howsoever it occurs) of any or all of these contractual arrangements (including, without limitation, the Appendices, the Call-Off Contract or the Agreement) the Training Provider’s obligations to complete at its own expense the course of training set out in the agreement between the Training Provider and the Learner shall remain in full force and effect until that course of training is completed.

Furthermore, this clause 28.5 shall survive any such termination or expiry as is referred to above and shall remain in full force and effect until the Apprenticeship programme is completed.”

Clause 2.1.2 of the Framework Variation has the intended effect (please see our comments above at section 3.1 regarding the language of the variation agreements) of amending clause 28.5 so that the last two paragraphs of this clause are deleted and only the first paragraph remains, and therefore the wording which expressly notes that the colleges will continue to provide the training services post-termination of the Framework Agreement at the colleges’ expense is to be removed. The current wording of clause 2.1.2 of the Framework Variation is unclear and suggests that paragraph 1 of clause 28.5 will be repeated twice.

Paragraph 1 of clause 28.5 is fairly standard wording. For ‘survival clauses’ we usually see two main drafting techniques:

- (i) the contract lists all clauses that the parties agree shall survive termination. Although best practice, this is usually the less preferred approach as it involved ensuring that the list is fully comprehensive; or

- (ii) the contract simply uses the words "expressly or by implication", which assumes that certain clauses have already been identified elsewhere as surviving termination, and with the words "by implication", the drafts-person takes the risk of future dispute for those clauses that have not already been expressly identified as surviving.

Whilst Paragraph 1 of clause 28.5 takes the second approach and is an acceptable one generally; the main issue here is that the removal of the second paragraph which commences "For the avoidance of doubt" could arguably be caught by the words "expressly or by implication". We would assert that there would be a reasonable if not strong argument to be made that the colleges by implication would be bound to deliver the training contracts to individual Learners. For clarity, it would be appropriate to bring this point out as part of the variation wording.

Despite the intended amended wording of clause 28.5, clause 33.2 of the Framework Agreement notes:

"The Training Provider shall engage actively with CITB to ensure that a transition to any new service provider can be completed with minimal disruption and impact to the Learner".

It is unclear what it means to "engage actively" and this may (or would likely) involve the colleges continuing to provide the training services post-termination of the Contracts.

4.1.2. Call-Off Contract and Call-Off Variation

The Call-Off Variation does not amend clauses 8.5 or 8.8 of the Call-Off Contract. These are the clauses which deal with "transfer of responsibility on expiry or termination" of the Call-Off Contract.

Clause 8.5.5.2 of the Call-Off Contract states:

"Any provision of this Call-Off Contract which either expressly or by implication is intended to come into or continue in force on or after termination of this Contract shall survive the termination or expiry of this Call-Off Contract, including clauses 5.1, 5.2, 5.3 and 5.5."

This wording within clause 8.5.5.2 of the Call-Off Contract aligns with the amended wording that will be included at clause 28.5 of the Framework Agreement (which as we have noted above at section 4.1.1 is fairly standard wording **NB see our specific comments however**). We have discussed the content of clauses 5.1, 5.2, 5.3 and 5.5 in further detail below at section 4.6.

Clauses 8.8.2 and 8.8.3 of the Call-Off Contract are the clauses that do cause concern for the colleges in terms of ongoing obligations post-termination of the Contracts. These clauses state:

"8.8.2. The Parties agree that on termination or expiry of this Call-Off Contract for any reason, the continuity of the Services is of paramount importance. The Provider shall do its utmost to minimise disruption cause[d] to Learners and to assist the implementation of any contingency plan proposed by CITB either prior to or after the termination or expiry of this Call-Off Contract, to deal with the effects of such termination or expiry in so far as it is practicable to do so".

8.8.3 The Provider shall, at no cost to CITB, promptly provide such assistance and comply with such timetable as CITB may reasonably require for the purpose of ensuring an orderly transfer of responsibility for provision of the Services (or its equivalent) upon the expiry or other termination of this Call-Off Contract. The Provider shall use all reasonable endeavours to ensure that its employees and any sub-contractors (without prejudice to the prohibition on sub-contracting the Services) are under a similar obligation. CITB shall be entitled to require the provision of such assistance both prior to and after the expiry or other termination of this Call-Off Contract."

The reference to "utmost" at clause 8.3.2 is a high standard of obligation upon the colleges. The colleges do not have visibility as to what CITB's contingency plan may be as this can be provided by CITB at any time before or after termination of the Contracts, as CITB appears to have full discretion in regards to deciding what the contingency plan may be e.g. the colleges do not have an absolute right to amend or oppose any contingency plan proposed by CITB. Additionally, there is no time limit on how long the obligations placed on the colleges under the contingency plan may continue for after termination of the Contracts. We would therefore have to assume that this would be for a reasonable period of time.

CITB has absolute discretion to decide the terms of any transfer of responsibility for the services post-termination of the Call-Off Contract; and the timescales for the same under clauses 8.8.3 also.

Therefore, despite the intention of clause 2.1.2 of the Framework Variation to amend the wording of clause 28.5 of the Framework Agreement, the colleges will have continued obligations to provide training services to apprentices despite termination of the Call-Off Contract as a result of these provisions.

We recommend that clauses 8.8.2 and 8.8.3 are amended so that the colleges have a better understanding as to their obligations under any contingency plan/hand-over process. CS may also wish to consider whether the intended contingency plan/hand-over process should account for ongoing payments to the colleges during these periods. Perhaps express provisions as to no continued obligations with regards Learners should be incorporated to put the matter beyond any doubt.

As per clause 8.8.6, CITB can withhold payment of the final instalment of funding payable on termination of the Call-Off Contract unless the colleges comply with clauses 8.8.3 and 8.8.4.

4.2 Payment of outstanding sums on termination

There is no obligation upon CITB to pay the college any outstanding Call-Off Funding upon termination of the Contracts. CS should be mindful of this when negotiating payment dates/milestones, and in particular it must be conscious to the fact that CITB also has the right to terminate at will.

We recommend that wording is inserted to place an onus on CITB to transfer any outstanding sums, owed to the colleges, to the colleges upon termination of the Contracts within a specified period of time.

Clause 3.4.1 of the Call-Off Contract notes that CITB can withdraw or reduce funding on termination of the contract.

4.3 TUPE

It is possible that the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") would apply on the termination of a Call-Off Contract if the Services are transferred to a new provider or are taken back in-house by CITB. There would be no TUPE transfer if the Services are continued by the same Provider but under a different contractual arrangement with CITB.

TUPE applies where there is a "relevant transfer"; unless there is an administrative reorganisation of public administrative authorities or the transfer of administrative functions between public administrative authorities (TUPE, Regulation 3(5)). This exception does not apply.

A relevant transfer can happen when there is a "business transfer", being the transfer of a business, undertaking or part of a business or undertaking where there is a transfer of an economic entity that retains its identity. An economic entity is "an organised grouping of resources that has the objective of pursuing an economic activity". This can include part of a business and doesn't have to be profitable. How the transfer takes place is not relevant. It can result from a series of transactions.

In deciding if the economic entity has retained its identity, the test is whether the economic entity is still in existence after the transfer. This should be apparent from the fact that the operation is being continued, or has been taken over, by the new provider carrying on with the same or similar economic activities. In this case, the economic activity is the Services provided under the Call-Off Contract. If the Services cease to be carried out by the Provider and are carried out by a new provider or CITB this is likely to be a business transfer to which TUPE applies.

A relevant transfer can also occur when there is a Service Provision Change, for example:

- (i) a "client" ceases to carry out activities on its own behalf and assigns them to another person (a contractor) to carry out on the client's behalf (regulation 3(1)(b)(i), TUPE 2006); or
- (ii) activities cease to be carried out by a contractor on a client's behalf and are reassigned to another person (a subsequent contractor) to carry out on the client's behalf (regulation 3(1)(b)(ii), TUPE); or

(iii) activities cease to be carried out by a contractor or subsequent contractor on a client's behalf and are carried out instead by a client on its own behalf (regulation 3(1)(b)(iii), TUPE).

For the purposes of this definition the CITB would be the "client" and the "activities" would be the Services under the Call-Off Contracts. Therefore, provided the other conditions required for a Service Provision Change apply (for which see below), (ii) or (iii) above will be applicable if the work ceased to be carried out by the Provider and is carried out by a new provider or the CITB. It is possible for a transfer to be both a "business transfer" and a "service provision change" under TUPE.

There must be an organised group of employees before the change whose principal purpose is to carry out the relevant activities on behalf of the client. A single employee can be an organised grouping. We do not have any information about how Providers organise the work to ascertain if there is, or is not, "an organised group of employees".

It does not cover a provider providing the services for a single specific event or a task of short-term duration. It does not cover the supply of goods for the client's use. There may be an argument that, as the Call-Off Contracts are for a short duration that it is for "a single specific event or a task of short-duration". However, we consider that this argument is unlikely to be successful.

In the case of a Service Provision Change, there is no need for the entity to retain its identity; it is merely necessary for one person to cease to provide the activities and for another to take them over, performing fundamentally the same activities for the client. This means that it is not possible for the incoming service provider to avoid TUPE by performing the services in a different way or by not taking over the workforce. From the information we have it would appear that if the work ceased to be carried out by a Provider and were carried out by a new provider that the activities will be fundamentally the same. If there are any differences that may affect our advice on the application of TUPE.

The question of whether or not TUPE applies and, if so, to which employees will be fact specific and will depend on the circumstances on the termination of a Call-Off Contract. Factors which will be relevant include:-

- Whether the Learners complete their course with the Provider
- Whether specific employees are assigned to the Services
- The proportion of each the employee's time spent on the Services in comparison to other duties.

If TUPE does apply then there will be an obligation to inform and consult with employee representatives under Regulation 13 of TUPE. Failure to comply with this obligation can result in protective awards being made of up to 13 weeks' gross pay per employee. In addition there will be an obligation to provide the new provider with Employee Liability Information in accordance with Regulation 11 of TUPE. If there is a failure to provide this information the tribunal can order that the Provider pays the new provider such amount as the tribunal considers just and equitable subject to a minimum of £500 for each employee in respect of whom the information was not provided or was defective (unless the tribunal considers that it would be unjust or inequitable to award this minimum payment).

The potential TUPE liabilities ought to be capable of being managed and avoided provided that consideration is given to the application of TUPE at the time the Call-Off Contracts are terminated or come to an end.

4.4 Direct engagement/contract between colleges and apprentices/employers

We understand that apprentices selected via the CITB programme are co-ordinated by CITB and placed by CITB at certain colleges, and therefore the colleges are not directly involved in the "set-up" process with apprentices and / or the apprentices' employers where funded by CITB.

However, the colleges may during its induction programme or during the provision of the apprenticeship course, provide apprentices/employers with contracts (which bind the college to the apprentice) perhaps by use of forms/IT systems (e.g. online portfolio) which link to the colleges' standard terms and conditions.

We also recommend that CS discusses with the colleges whether the colleges have inadvertently or otherwise entered into directly contractual relationship with the apprentices/employers which binds the colleges to continue to provide the training services despite the end of the contractual relationship with CITB. This will require to be assessed on a case-by-case (college-by-college) basis.

4.5 Other documents

Clause 2.1 of the Framework Agreement notes that the colleges are to operate at all times in accordance with CITB's published objectives, the Tender Documents, the Funding Agreement, the Funding Requirements and Guidance. We have not been provided with a copy of these documents to identify whether any of the requirements are continuing or ongoing, however we note that the reference at clause 2.1 of the Funding Agreement to "at all times" is not caveated to the extent that the Framework Agreement continues to exist. We recommend that CS considers this further with the colleges.

Clause 1.7.4 of the Call-Off Contract provides an outline of what documents are to have precedence over the others in the event of a conflict. The Award Letter and Provider Obligations have first precedence. We have not had sight of these documents and the CS should also consider with the colleges whether they contain wording which places ongoing obligations upon the colleges and / or otherwise override the Contracts.

Again the wording "expressly or by implication" in the variation documents could potentially apply to these additional agreement (the Award Letter and the ITT in particular) and we therefore cannot comment on whether obligations (financial or otherwise) arise from these.

4.6 Specific clauses that will survive termination of the Contracts

There are certain obligations that survive termination of the Contracts (they are "expressly" set out as surviving) or are expressly noted as continuing post-termination:

- data protection (clause 5.1 of Call-Off Contract and clause 23 of the Framework Agreement);
- confidentiality (clause 5.2 of Call-Off Contract and clause 22 of the Framework Agreement);
- freedom of information (clause 5.3 of Call-Off Contract and clause 24 of the Framework Agreement);
- intellectual property right (clause 5.5 of Call-Off Contract and clause 29.2 of the Framework Agreement); and
- retention obligations for records and documents post-termination of the Contracts (clause 21 of the Framework Agreement);
- insurance for a minimum of 6 years (clause 30.4 of the Framework Agreement and clauses 7.1.9 and 7.2 of the Call-Off Contract);
- warranties provided by the colleges at clause 6 of the Framework Agreement (clause 6.1.15); and
- indemnity provided by the colleges (clause 7.1.2 of the Call-Off Contract)

4.7 Accrual of rights, remedies or obligations

Clause 28.4 of the Framework Agreement and clause 8.5.2.1 of the Call-Off Contract notes that termination of the Framework Agreement/Call-Off Contract will not prejudice any rights, remedies or obligations of either party accrued under the Framework Agreement and shall survive termination.

5. COMMENTS IN RELATION TO QUESTION 4

Whether the fact that the Contracts refer to the jurisdiction of the courts of England and Wales, as opposed to Scotland, provides any disadvantages to the colleges.

Summary: There are disadvantages for the colleges, and the current choice of law and jurisdiction wording of the variation agreements should not be accepted by CS.

Analysis:

SC's query appears to specifically relate to the jurisdiction clauses within the Contracts as opposed to governing law clauses. A jurisdiction clause is a dispute resolution clause which identifies which court or courts are to hear a dispute related to the contract. A governing law clause enables the parties to specify the system of law that will apply to the interpretation of a contract and its effect if a dispute arises. We have considered both clauses within the Contracts as they are closely connected.

We note that the Framework Agreement (clause 43) and the Call-Off Contract (clause 9) note that they are governed by Scots law and subject to the exclusive jurisdiction of the Scotland; whereas the Framework Variation and the Call-Off Variation are both subject to the laws of England and Wales and the exclusive jurisdiction of the courts of England and Wales.

Usually a variation agreement is governed by the law applicable to the main agreement, to avoid complications in the event of any disputes. It is also practical to provide for the same jurisdiction as is used in the main agreement. We recommend that the variation agreements are amended to refer to Scots law and jurisdiction – otherwise the underlying reason for having these clauses (e.g. to provide certainty to the governing law and jurisdiction) is undermined. Where there is confusion as to the jurisdiction that could apply this may lead to a claim being struck out on the basis of lack of jurisdiction.

Both of the main agreements also include dispute resolution clauses (clause 42 of the Framework Agreement and clause 9.2 of the Call-Off Contract) with a process for dealing with contractual disputes before raising court proceedings; and generally such clauses should extend to applicable variation agreements also. This is currently not made clear in the variation agreements.

There may be disadvantages to accepting the jurisdiction of English courts for the colleges as the colleges are based and operate within Scotland. On a high-level basis the main potential disadvantages would include (i) inconvenience: if a dispute arose, the Scottish based colleges would require to travel to England where attendance at hearings is required; and (ii) costs: English courts are often regarded as being more costly than Scottish courts, and if the main agreements are to be governed by Scots law and the variations by the law of England and Wales this means that, potentially, the colleges will need solicitors qualified in both jurisdictions.

**MacRoberts LLP
29 March 2019
MWH/VMS/COL/124/1**

Colleges Scotland Draft Legal Advice in Relation to the Contracts with Construction Industry Training Board (CITB)

Introduction

This document sets out Colleges Scotland request of CITB in relation to the variation to contracts issued on Tuesday 26 February 2019, following the receipt of legal advice. For the benefit of openness, and to ensure we can continue to move to our mutually desired position of colleges signing the CITB contracts, we have included extracts from the legal advice received in the boxes below. In each case, we also set out our specific ask in relation to changes that we would like to see in the variations to contracts.

Request

Our request is that CITB will consider each of the areas outlined below and amend the proposed variations to contracts in order to deliver the asks. This will be of benefit to both CITB and colleges. It would also be helpful in the first instance to have a response on your willingness to deliver these amendments to the variations to contracts.

Framework Agreement and Framework Variation

Clause 3.1 of the Framework Agreement notes that the agreement shall take effect from 1 August 2018 and “unless otherwise terminate[d] in accordance with the terms of the Framework Agreement” shall continue for the term. Therefore, this clause does allow the initial term of the Framework Agreement to terminate earlier if provided for elsewhere within the agreement. We recommend that clause 3.5 of the Framework Agreement be amended to make clear that the Framework Agreement can be terminated prior to the expiry of the Initial Term.

Clause 2.1.1 of the Framework Variation has the intended effect of amending clause 26.1.1 of the Framework Agreement so that the colleges are provided with the option to terminate the Framework Agreement upon not less than 60 days’ written notice to CITB.

There does not appear to be any restriction on when this 60 days’ notice may be served and therefore it could be served (in accordance with the notice provisions – please see clause 40 of the Framework Agreement) during an academic year of the apprenticeship or at any other stage throughout the term of the Framework Agreement.

This right will be mutual and CITB will also have the right to terminate the Framework Agreement by giving the colleges such notice.

This right in favour of CITB as alluded to above is already provided for at clause 26.12.1 of the Framework Agreement, and we note this is to be inserted twice. Our request is that clause 26.12 is deleted where clause 26.1 is to be varied.

For completeness, there is a typo at clause 2.1.1 of the Framework Variation where reference is made to the “Framework Agreement Contract” as opposed to simply the “Framework Agreement”. We would request that this is amended.

Clause 28 of the Framework Agreement provides details of the consequences of termination or expiry of the Framework Agreement.

Clause 28.1 of the Framework Agreement notes:

“Notwithstanding the service of a notice to terminate this Framework Agreement, the Provider shall continue to fulfil its obligations under this Framework Agreement until the date of expiry or earlier termination of this Framework Agreement or such other date as required under this Clause 28.”

This means that the college’s obligations under the Framework Agreement shall cease on the date of termination of the agreement unless clause 28 provides otherwise.

The current wording of clause 28.5 notes:

“28.5 Any provision of this Framework Agreement which either expressly or by implication is intended to come into or continue in force on or after termination of this Framework Agreement shall survive the termination or expiry of this Framework Agreement.

For the avoidance of doubt, notwithstanding the termination or expiry (howsoever it occurs) of any or all of these contractual arrangements (including, without limitation, the Appendices, the Call-Off Contract or the Agreement) the Training Provider’s obligations to complete at its own expense the course of training set out in the agreement between the Training Provider and the Learner shall remain in full force and effect until that course of training is completed. Furthermore, this clause 28.5 shall survive any such termination or expiry as is referred to above and shall remain in full force and effect until the Apprenticeship programme is completed.”

Clause 2.1.2 of the Framework Variation has the intended effect of amending clause 28.5 so that the last two paragraphs of this clause are deleted and only the first paragraph remains, and therefore the wording which expressly notes that the colleges will continue to provide the training services post-termination of the Framework Agreement at the colleges’ expense is to be removed. The current wording of clause 2.1.2 of the Framework Variation is unclear and suggests that paragraph 1 of clause 28.5 will be repeated twice.

Paragraph 1 of clause 28.5 is fairly standard wording. For ‘survival clauses’ we usually see two main drafting techniques:

- (i) the contract lists all clauses that the parties agree shall survive termination. Although best practice, this is usually the less preferred approach as it involved ensuring that the list is fully comprehensive; or*
- (ii) the contract simply uses the words “expressly or by implication”, which assumes that certain clauses have already been identified elsewhere as surviving termination, and with the words “by implication”, the drafts-person takes the risk of future dispute for those clauses that have not already been expressly identified as surviving.*

Whilst Paragraph 1 of clause 28.5 takes the second approach and is an acceptable one generally; the main issue here is that the removal of the second paragraph which commences “For the avoidance of doubt” could arguably be caught by the words “expressly or by implication”. We would assert that there would a reasonable if not strong argument to be made that the colleges by implication would be bound to deliver the training contracts to individual Learners. For clarity, it would be appropriate to bring this point out as part of the variation wording.

Despite the intended amended wording of clause 28.5, clause 33.2 of the Framework Agreement notes:

“The Training Provider shall engage actively with CITB to ensure that a transition to any new service provider can be completed with minimal disruption and impact to the Learner”.

It is unclear what it means to “engage actively” and this may (or would likely) involve the colleges continuing to provide the training services post-termination of the Contracts.

Given the lack of clarity regarding ‘engage actively’ in this context we believe that it would be mutually beneficial to be more specific in this instance.

Subsequently we request that activity is limited to engagement in the following areas only:

- Handover of any registrations, knowledge and portfolio evidence of the learner/s
- Record of any academic achievements e.g. PDA

Call-Off Contract and Call-Off Variation

Clause 1.4 of the Call-Off Contract notes that it takes effect from and shall expire automatically on the date set out in the Award Letter unless it is otherwise terminated in accordance with the provisions of this Call-Off Contract, or otherwise lawfully terminated. Therefore, this clause does allow for the earlier termination of the Call-Off Contract if provided for elsewhere within the agreement.

Clause 2.1.1 of the Call-Off Variation has the intended effect of amending clause 8.3 of the Call-Off Contract so that the colleges are provided with the option to terminate the Call-Off Contract upon not less than 60 days’ written notice to CITB.

This right will be mutual and CITB will also have the right to terminate by giving such notice; CITB has the right under the existing wording of clause 8.3 to terminate at will upon one months’ notice and therefore the variation will have the effect of limiting CITB’s right, by extending its notification obligations to 60 days.

We note the changes introducing the 60-day notice period and that this is now a mutual right, whereas previously only CITB had the option to exercise a one month notice period. Our understanding is that there are no restrictions on when this 60-day notice period may be served. We would be grateful if you could confirm this.

The Call-Off Variation does not amend clauses 8.5 or 8.8. of the Call-Off Contract. These are the clauses which deal with “transfer of responsibility on expiry or termination” of the Call-Off Contract.

Clause 8.5.5.2 of the Call-Off Contract states:

“Any provision of this Call-Off Contract which either expressly or by implication is intended to come into or continue in force on or after termination of this Contract shall survive the termination or expiry of this Call-Off Contract, including clauses 5.1, 5.2, 5.3 and 5.5.”

This wording within clause 8.5.5.2 of the Call-Off Contract aligns with the amended wording that will be included at clause 28.5 of the Framework Agreement (which as we have noted above at section 4.1.1 is fairly standard wording NB see our specific comments however). We have discussed the content of clauses 5.1, 5.2, 5.3 and 5.5 in further detail below at section 4.6.

Clauses 8.8.2 and 8.8.3 of the Call-Off Contract are the clauses that do cause concern for the colleges in terms of ongoing obligations post-termination of the Contracts. These clauses state: “8.8.2. The Parties agree that on termination or expiry of this Call-Off Contract for any reason, the continuity of the Services is of paramount importance. The Provider shall do its utmost to minimise disruption cause[d] to Learners and to assist the implementation of any contingency plan proposed by CITB either prior to or after the termination or expiry of this Call-Off Contract, to deal with the effects of such termination or expiry in so far as it is practicable to do so”.

8.8.3 The Provider shall, at no cost to CITB, promptly provide such assistance and comply with such timetable as CITB may reasonably require for the purpose of ensuring an orderly transfer of responsibility for provision of the Services (or its equivalent) upon the expiry or other termination of this Call-Off Contract. The Provider shall use all reasonable endeavours to ensure that its employees and any sub-contractors (without prejudice to the prohibition on sub-contracting the Services) are under a similar obligation. CITB shall be entitled to require the provision of such assistance both prior to and after the expiry or other termination of this Call-Off Contract.”

The reference to “utmost” at clause 8.3.2 is a high standard of obligation upon the colleges. The colleges do not have visibility as to what CITB’s contingency plan may be as this can be provided by CITB at any time before or after termination of the Contracts, as CITB appears to have full discretion in regards to deciding what the contingency plan may be e.g. the colleges do not have an absolute right to amend or oppose any contingency plan proposed by CITB. Additionally, there is no time limit on how long the obligations placed on the colleges under the contingency plan may continue for after termination of the Contracts. We would therefore have to assume that this would be for a reasonable period of time.

CITB has absolute discretion to decide the terms of any transfer of responsibility for the services post-termination of the Call-Off Contract; and the timescales for the same under clauses 8.8.3 also.

Therefore, despite the intention of clause 2.1.2 of the Framework Variation to amend the wording of clause 28.5 of the Framework Agreement, the colleges will have continued obligations to provide training services to apprentices despite termination of the Call-Off Contract as a result of these provisions.

We recommend that clauses 8.8.2 and 8.8.3 are amended so that the colleges have a better understanding as to their obligations under any contingency plan/hand-over process. CS may also wish to consider whether the intended contingency plan/hand-over process should account for ongoing payments to the colleges during these periods. Perhaps express provisions as to no continued obligations with regards Learners should be incorporated to put the matter beyond any doubt.

As per clause 8.8.6, CITB can withhold payment of the final instalment of funding payable on termination of the Call-Off Contract unless the colleges comply with clauses 8.8.3 and 8.8.4.

There is no obligation upon CITB to pay the college any outstanding Call-Off Funding upon termination of the Contracts. CS should be mindful of this when negotiating payment dates/milestones, and in particular it must be conscious to the fact that CITB also has the right to terminate at will.

We recommend that wording is inserted to place an onus on CITB to transfer any outstanding sums, owed to the colleges, to the colleges upon termination of the Contracts within a specified period of time.

Clause 3.4.1 of the Call-Off Contract notes that CITB can withdraw or reduce funding on termination of the contract.

In case of a handover colleges are committing to those tasks set out above. We therefore request that 8.8.2 and 8.8.3 are amended to reflect the changes.

Colleges would expect timely payment of any final instalment and therefore the amendments are needed to 8.8.6 and 3.4.1.

Scots Law

We note that the Framework Agreement (clause 43) and the Call-Off Contract (clause 9) note that they are governed by Scots law and subject to the exclusive jurisdiction of the Scotland; whereas the Framework Variation and the Call-Off Variation are both subject to the laws of England and Wales and the exclusive jurisdiction of the courts of England and Wales.

We request that the variation agreements are amended to refer to Scots law and jurisdiction.

Summary

Colleges Scotland is requesting that CITB review and amend the proposed variations to contracts in line with the specific asks made in this document. This will then allow Colleges Scotland to communicate positively to its members that colleges are in a position to sign the contracts.

Colleges Scotland
April 2019

Board of Management

Subject/Title:	Board Chair Evaluation
Author: [Name and Job title]	Fiona Ambrose, Board Secretary
Meeting:	Board of Management
Meeting Date:	25 June 2019
Date Paper prepared:	13 June 2019
Brief Summary of the paper:	<p>The Code of Good Governance for Scotland's Colleges establishes standards of good governance practice for all boards and provides the essential foundations for compliance within the legislative framework. One of the five principles around which the code has been developed is effectiveness.</p> <p>Paragraph D24 states that "The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs"</p>
Action requested: [Approval, recommendation, discussion, noting]	The committee is requested to complete the Board Chair evaluation exercise
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:	
Risk implications:	Yes/No Operational: required for the proper Governance of the College
Equality and Diversity implications:	N/A
Consultation: [staff, students, UHI & Partners, External] and provide detail	

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

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

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

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

Evaluation of Chair of the Board of Management

Chair being evaluated:NEIL STEWART.....

Circle to indicate
← Tendency →

Keeps members on topic and to the agenda	1 2 3 4 5 6	Tends to criticise the ideas and values of members
Summarises discussions and decisions impartially and confirms action points	1 2 3 4 5 6	Tends to force ideas on to the group
Spots likely problems early and states them in a constructive way	1 2 3 4 5 6	Makes decisions without consulting the group or despite the group's views
Suggests solutions	1 2 3 4 5 6	Leaves decisions 'hanging'
Ensures adequate time is given to the different areas of the agenda	1 2 3 4 5 6	Talks too much and gets too involved
Facilitates the expression of all views and opinions	1 2 3 4 5 6	Allows individuals to dominate discussion
Communicates information to Board members	1 2 3 4 5 6	Fails to inform Board members of important information
Supports individual Board members	1 2 3 4 5 6	Is too distant or directing

Comments

Completed by Board of Management collectively: 25 June 2019

Date.....



Curriculum Review Update

JUNE 2019

Curriculum Review Outputs



Outputs

- ▶ Support a culture of continuous improvement
- ▶ Opportunities to internationalise the current curriculum
- ▶ Horizon scan for new opportunities and curriculum (evidence based)
- ▶ Realignment of the curriculum into 7 schools
- ▶ Transformation of the middle management structure

New School Structure & Management

School	Curriculum Coverage	Head	Depute
Business, Computing & Hospitality	Business, Accounting, Admin, Computing and Hospitality	Nicola MacDonald	Catriona Grant
Care, Health & Wellbeing	Sport, Health, Social care, Early years, psychology, counselling, oral health, infection prevention	Heather Keyes	Kirsten Grant
Construction & the Built Environment	Plumbing, painting, joinery, brickwork, arch tech, civil engineering, quantity surveying	Paul Moody	Carrie Higgins

New School Structure & Management continued

School	Curriculum Coverage	Head	Depute
Creative Arts	Hair, Beauty, Art, Drama, Literature, ESOL, Humanities, Social Sciences, Creative writing	Sharon MacFarlane	Alison Woodside
Education & Applied Science	Supported Ed, Essential Skills, Teacher Ed, Science, Geography, Maths, Aquaculture	Craig Lowther	Robyn Kennedy
Engineering Technology	Fab/weld, mechanical, electrical, electrical installation, motor vehicle	Iain King	Andrew McIntosh
Scottish School of Forestry	Forestry, arboriculture	Amanda Bryan	N/A

School Structure

Each school has

- ▶ Head of School - retain overall responsibility for the performance of their school and report to the Director of Curriculum
- ▶ One Depute, alongside responsibilities for an academic area, will be capable of standing in for Heads as required.(Except for SSF)
- ▶ Admin support – to remove the admin burden from the Heads to allow them to be more outward looking
- ▶ Lecturers(permanent, fixed term and supply), Programme Leaders, Technicians, PDE(FE), PATs(HE)

Management Structure

Transformation of the 'Middle Management Structure' is to create a structure that is

- ▶ Sustainable
- ▶ Efficient and effective
- ▶ Forward looking
- ▶ Rooted in the strategic plans of ICUHI

Business, Computing & Hospitality

► **MBA Health Care Management**

Review the PGCert Health Leadership and Management

Conduct a comparison between MSc and MBA

► **MSc International HRM**

Conduct a scoping on international market

Use the Sheffield approach (non-CIPD award and a CIPD award)

New standards being produced by CIPD

► **HND Supply Chain Management**

Explore professional Body standards

International and on-line markets

Focus on SME Business, Logistics and Rurality

Care, Health & Wellbeing

► **MSc Public Health**

Review and repurpose MSc Infection Control

International market

On-line delivery

► **MSc Sports Education/Outdoor/Management**

Scope if there is a market

Conduct a staff skills matrix and development plan

Construction & Built Environment

▶ **MA Architecture**

In partnership with a RIBA accredited school

▶ **BSc Architectural Technology(AT) with Sustainable Design**

Investigate new markets for AT

Rejuvenate the curriculum

Accreditation business case

▶ **HNC Built Environment**

Scope the benefits of a common HNC for Arch tech, Quantity Surveying & Construction Management

Creative Arts

- ▶ **Cert of HE in Trichology**

For Scottish/RUK/international on-line delivery

With a Summer school

- ▶ **MRes Art and Environment**

Explore the creation of an art MRes scheme

- ▶ **University of Arts London FE qualifications**

To replace existing SQA delivery

Project based

Education & Applied Science

- ▶ **MEd Critical Enquiry**

Repurpose for the international market

- ▶ **MSc Data Science Scheme**

Investigate markets

Engineering Technology

► **Carry out an in depth review of all FT engineering provision at all levels including**

Staff skills profile

Information from UHI Task Force

Stakeholder research

Increase the number of apprenticeships in all areas

Review the apprenticeship provision

Forestry

- ▶ **MSc Forestry for Non-Foresters**

Scope industry demand

International market?

- ▶ **BSc Forest Management with Wood Science**

Form a scheme based on the present degree to develop more opportunities

Capitalise on the international links already forming i.e. Japan, Europe

- ▶ **Level 6 Forestry**

Produce a pipe line to feed both arboriculture and forestry HN

Level 12

- ▶ Professional Doctorates in Education and Health

Developments for delivery 20/21

- ▶ PG Cert Heritage & Festival Management
- ▶ MRes in Eco-literature/Renaissance Drama/Science Fiction & Fantasy(approved)
- ▶ BSc(Hons) Geography(accelerated)
- ▶ BSc(Hons) Applied Software Development(partnership with IBM)
- ▶ MSc in Data Science
- ▶ MSc Tourism Resource Management
- ▶ MSc Civil Engineering
- ▶ MSc Creative Entrepreneurship

Next steps

- ▶ Monitor progress against targets
- ▶ Finalise development programme for Heads and Deputes
priorities include:
 - quality assurance and enhancement
 - student recruitment support
 - acting in accordance with HR Policies and Procedures
 - planning, budgeting, workload analysis and timetabling
 - complaints handling
 - handling student disciplinary issues

Questions



Board of Management

Subject/Title:	Development Plan 2018-19
Author: [Name and Job title]	Fiona Ambrose, Board Secretary Roddy Henry Depute Principal, Planning and Student Experience
Meeting:	Board of Management
Meeting Date:	25 June 2019
Date Paper prepared:	13 June 2019
Brief Summary of the paper:	Following the completion of the annual Board of Management self-evaluation exercise, the Board agreed a number of actions to be included in the 2018-19 Development plan.
Action requested: [Approval, recommendation, discussion, noting]	To note the completed actions
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	Yes/No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	
Status – [Confidential/Non confidential]	Non Confidential
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes

ITEM 8

*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

BOARD OF MANAGEMENT DEVELOPMENT PLAN 2018-19

The actions identified were all around the theme of enhanced community engagement.

1. Map out the connections/links with external stakeholders (show groupings)
 2. Outline the way in which the Colleges engages with the CPP processes
 3. Gather information from other Colleges re Board / Stakeholder engagement
 4. Stakeholder event to be organised
- 1&2. The Depute Principal Planning and Student Experience and Director of External Relations have provided two briefing papers which are attached as appendices 1 & 2 outlining the connections with external stakeholders and how the College engages with the Community Planning Partnership (CPP) process.
3. The Board Secretary was tasked with gathering information from other Colleges. This has proved a difficult exercise as only two colleges responded.

The responses are as follows:-

At Dundee and Angus we expect all Board members to undertake an ambassadorial role on behalf of the College when they are out and about. All of our Board members are involved in some way or other with a range of major regional stakeholders and this role is something that the Chair would discuss with each member as a part of their appraisal.

As a part of her paid role, our Chair will also meet from time to time (normally along with the Principal) with major stakeholders. These engagements will be targeted towards areas of particular priority, or in areas that are perhaps new to the College.

Stakeholder engagement is one of the areas that we cover within Board development sessions in respect of the expectations and skills mix of Board members and to support information sharing/development to help to encourage this.

At West Highland College, all our board members are asked to be ambassadors for the College and this is an item in their 'job description'. Many of them have roles elsewhere in the community and they can bring the College perspective to their engagement there. At the suggestion of one of the Board members, College ID cards are now issued to all who want them, as evidence of their role and commitment to the College.

West Highland College UHI has a number of learning centres and we tend to hold at least two, sometimes three, Board meetings per year away from the main Fort William campus. On these occasions, we hold a meet-the-board event, an informal drop-in for members of the community, where they are invited to talk directly to members about what the College could do for them, what it could do better etc.

Our Board Members recognise that they have an ambassadorial role and the Principal was tasked to guide board members on this role without becoming involved in operational issues. The Principal met with a number of Board Members last year and this process will be continued on an ongoing basis as new members are appointed to the Board.

As part of the development of the current Strategic Plan 2017-20, Board Members met with a number of key stakeholders. The Depute Principal Planning and Performance Management covers future engagement as part of paragraph 4 below.

A limited number of Members are engaged in an advocacy role and the Board may wish to consider whether it would be beneficial to encourage more members to participate in this way.

The Board are asked to consider whether it would wish to adopt any of the other practices outlined in the responses above.

4. The Principal and Depute Principal (P&SE) have discussed an indicative timeline for the development of the College's next Strategic Plan (2020-25). Two Board Strategic Planning events are proposed in the timeline: the first in September/October 2019 to be a context-setting workshop to include engagement with key local, regional and national stakeholders. The Regional Outcome Agreement (ROA) will provide the backdrop to the workshop, the outcomes of which will inform both the Strategic Plan and the next iteration of the ROA.

INVERNESS COLLEGE UHI – BOARD OF MANAGEMENT DEVELOPMENT PLAN 2018-19

	RECOMMENDATION	ACTION	RESPONSIBLE PERSON	TIMESCALE	Comments
Enhanced community engagement					
1	Need to provide the Board of Management with a better understanding of stakeholder engagement across the college	Map out the connections/links with external stakeholders (show groupings)	Depute Principal/Director of BD	Beg June 2019	
2	The Board need to better understand the community planning partnership process	Outline the way in which the Colleges engages with the CPP processes	Depute Principal	Beg June 2019	
3	Understanding of how other Boards engage with stakeholders	Gather information from other Colleges re Board / Stakeholder engagement	Board Secretary	Beg June 2019	
4	That the Board engage directly with stakeholders as part of the ROA process	Stakeholder event to be organised	Depute Principal	By end May 2019 (provisional)	

Group	Stakeholder	Engagement	Lead Responsibility
Business	Colleges Scotland	Business Development Director Group	Georgina Parker
Business	Royal Society of Chemistry Education Division	Termly meetings relating to STEM strategy	Gill Berkeley
Business	Curriculum Advisory Groups for key sectors	Sector groups to support curriculum development and market intelligence	Head and/or Georgina Parker
Business	Care Alliance	Care industry group	Nicole Varwell
Business	Institute of Welders	Welding industry group.	Joanne MacKinnon
Business	CDN Work Based Learning Group	National WBL best practice group.	Joanne MacKinnon
Business	Institute of Chartered Engineers	Bi-monthly meetings	Iain King
Business	Chamber of Commerce	College is Gold Patron. Networking & business events	Chris O'Neil
Business	Innovate UK	Support for KTP and Innovation Voucher projects	Georgina Parker
Business	Forest Enterprise Scotland	Strategic partner, Curriculum Development Group and Apprenticeship employer	Amanda Bryant
Business	Federation of Small Businesses	Networking and Business Development	Stephen Wells
Business	Highland Construction Training Group	Member of Group to inform curriculum development and service desian	Paul Moody
Business	Inverness Hoteliers Association	Social development of the Highlands	Nicola MacDonald
Business	Local Industries / Enterprise	Various - see sector matrix	Georgina Parker
Business	IOD	Membership. Branch dining event.	Ken Russell
Business	Cairngorms National Park	Environmental protection & tourism development	Roddy Henry
Business	Historic Environment Scotland	Sub-contractor for Stonemasonry Programmes	Paul Moody
Charitable	Rotary	Supporting charitable events including Schools Masterchef	Martin Whyte
Charitable	Marie Curie	Collaboration on charitable events	Martin Whyte
Charitable	Mikey's	Collaboration on charitable events	Martin Whyte
Communications	Media (Local and National)	Proactive meetings and responding to enquiries	Helen Aird
Communications	Highlands & Islands Communication Practitioner Network	Quarterly meetings to coordinate H&I communications	Carol Sutherland
Communications	Highlife Highland	Curriculum development and communications enquiries	Carol Sutherland
Community	Inverness Community Safety Partnership (ICSP)	Meetings re communitcy concerns	Roddy Henry
Curriculum	Energy Skills Partnership (ESP)	Forums supporting industry-led approach	Gill Berkeley and other Managers
Curriculum	CPP - Health & Equalities	Themed group of CPP focused on outcome improvement	Gill Berkeley
Curriculum	SQA	College curriculum advisory group & qualficiations groups	Gill Berkeley
Curriculum	Highland STEM Strategy Group	Bi-annual meetings re Gov't STEM strategy	Gill Berkeley
Curriculum	Crown Estates	Investment in and management of UK assets	Amanda Bryant
Education	Colleges Scotland	College Principals Group Meetings	Chris O'Neil
Education	Collgeges Scotland Learner Journey	Group working on Learner Journey	Chris O'Neil and Roddy Henry
Education	CDN Attainment Working Group	Meetings and conference - increasing college attainment	Roddy Henry
Education	CMI	Board membership	Ken Russell
Education	DYW	Meetings relating to DYW government strategy	Lorraine Andrews
Education	Universities Scotland	Increase int'l income for Scotland's Universities	Jennifer Loades
Education	Scottish Funding Council (SFC)	Various forums in relation to funding.	Chris O'Neil
Education	SDS	Groups and meetings re. Skills funding and education	Georgina Parker
Education	Young Enterprise Scotland	Scotlands Enterprising Schools Programmes	Georgina Parker
Education	Innovation Centres	Industry sector forums and funding opportunities	Managers relating to sector areas
Education	Highland Senior Phase Strategy Group	Meeting and network to inform senior phase curriculum	Lindsay Snodgrass
Entrepreneurship	Entrepreneurial Scotland	Networking and events promoting entrepreneurship	Ken Russell
Finance	Colleges Scotland	Finance Directors Group Meetings	Fiona Mustarde
Finance	TUCO	Conference and best practice activities and events	Martin Whyte
Government	Local Politicians	Meeting as and when required	Chris O'Neil
Government	HIE	Meetings/groups re. economic development H&I	Chris O'Neil and Directors
Infrastructure	Inverness Campus Owners Association	Meetings regarding campus affairs and development	Martin Kerr
Infrastructure	City Heart	Contacts re. on campus residence	Lindsay Snodgrass
International	Scottish Development Int'l (SDI)	Increase int'l activity for Scotland	Jennifer Loades
International	British Council	Increase int'l activity for Britain	Jennifer Loades
International	CDN International Network	Increase int'l income for Scotland's Colleges	Jennifer Loades
International	Host Families	Accommodation for international and Erasmus Students	Jennifer Loades
Local Government	Highland Economic Forum	Bi-monthly meetings	Chris O'Neil
Local Government	Highland Council Events & Festivals Working Group	Bi-monthly meetings promoting highland events	Martin Whyte
Research	National Trust Scotland (NTS)	KTP project and communications relevant to research	Melanie Smith
Research	Wild Scotland	Research - Scotland's adventure and nature tourism operators	Melanie Smith
Research	John Muir Trust	Links to Research - Protection and enhancement of the wild places of Scotland	Melanie Smith
Research	Rivers And Fisheries Trusts Of Scotland (RAFTS)	Groups re. rivers and fisheries trusts and foundations	Melanie Smith
Sport	Highlife Highland	Member of Sports Steering Group	Roddy Henry
Sport	Sports Scotland	Member of Sports Steering Group	Roddy Henry
Sport	Scottish Rugby	Member of Sports Steering Group	Roddy Henry
Staff	Unions	Staff consultation groups	Chris O'Neil
Students	HISA	Meetings and communications	Lindsay Snodgrass
Students	Stagecoach	Provision of Student Transport	Lindsay Snodgrass

Key Sectors	SW	PT	JM & GP	NV	MA	Short Courses	Project	CAG	Other	Sub-sectors / Subjects
Aquaculture					MA	YES	Applied	HUB	RES	
Business and Finance		**			MA	YES	NO	CAG		Accountancy, Professional
Creative Industries					MA	NO	NO	NO	RES	Drama, Broadcasting, Radio, Printing & Publishing, Theatre
Construction Craft					MA	YES	YES	CITB		Joinery, Brickwork, Painting & Decorating
Electrical					SECCT	YES	NO	CAG		Domestic
Engineering/Manufacturing					MA	NO	NO	CAG	IV	Electrical, Mechanical, Fabrication & Welding, PIO
Building Technology					FAtoGA	YES	YES	CAG		Civils, Architecture, Cons Management, Built Environment
Food & Drink Production					NO	NO	YES	ESP		Including: Business Improvement
Forestry, Timber Prod. & Land Mgt					MA	YES	YES	YES	RES&KTP	Estates, Forestry, Timber Mills 2xKTP and Innov Voucher
Hair & Beauty					MA	NO	YES	YES	COM	Commercial salon development
Health & Social Care					FAtoGA	YES	YES	Group	RES	Private and Public, NHS, Dentistry, Fit House, Early Years
Hospitality & Tourism					MA	YES	YES	IHA		Licencing: Food, Door Sup., PLH and
Information Technology					FA, MA	YES	NO	YES		
Life Sciences					FA&MA	YES	NO	N/a		Laboratory Assistants, Distilling (Link to F&D Prod)
Motor Vehicle					MA	PLANNED	NO	N/A		
Retail & Customer Service					MA	YES	NO	N/A		
Oil/Gas/Plumbing/Renewables					SNIEPF	YES	NO	HIE	TTF	
Sport & Leisure					MA*	NO	YES	SG	ICT	On site development, Steering group, Adventure Tourism,
Transport					NO	NO	YES	N/A	SVQ	Rail, Road Haulage, Air Transport
CROSS CUTTING SUBJECT AREAS/THEMES										
Health & Safety					NO	YES	YES	IOSH		IOSH, NEBOSH
Project Management					NO	YES	NO	NO		
Union Learning					NO	YES	NO	SUL		SUL, Unison and IAL

Staff
 Joanne MacKinnon = JM
 Stephen Wells = SW
 Pauline Tuthill = PT
 Nicole Varwell = NV

KEY
 FA: Foundation Apprenticeship
 MA: Modern Apprentice
 GA: Graduate Apprentice
 RES: Research
 KTP: Knowledge Transfer Partnership
 IV: Innovation Voucher:

Board of Management

Subject/Title:	Principal's Report
Author: [Name and Job title]	Prof Christopher O'Neil, Principal & Chief Executive
Meeting:	Board of Management
Meeting Date:	25 June 2019
Date Paper prepared:	17 June 2019
Brief Summary of the paper:	This report provides the Board with an overview of new and continuing activity
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	No If yes, please specify:
Risk implications:	No If yes, please specify:
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

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

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

PRINCIPAL'S REPORT

Introduction

At the time of writing, we have two major concerns.

The first is the input of the National Pay Bargaining and its impact upon our finances in relation to pensions. We believed it to be prudent that we plan on the basis that only 50% of our pension liability will be financed by the Scottish Funding Council (SFC).

We are awaiting an announcement from the SFC to confirm their level of input but in the meanwhile, and regardless of the level, we are planning a number of actions that will mitigate against underfunding and/or improve the effectiveness and efficiency of our provision.

These actions include:-

1. Building and/or rationalising class sizes to a minimum of 12 students plus building a rational for maintaining or cutting classes that fail to achieve 12.
2. Assessing workshop capacity to maximise access and improve space utilisation – outcomes will include combined delivery in cognate subject areas.
3. Improve data access – as per the barometer
4. Focus upon student applicant conversions

The Depute Heads of School have all been appointed following a robust application and interview process. This means the capacity of subject areas to manage student target numbers is increased and we are now beginning the task of moving this responsibility from the administrative staff to the academic staff.

A part of this process will highlight if, and where, we have over capacity in the current academic provision and if there are opportunities to move our focus.

The second area of immediate concern is our Partnership Planning Forum (PPF) Higher Education (HE) targets. Our agreed target for this current academic year was 1618. Until this month we believed we had achieved 1604 and the under recruitment of 14 Undergraduate (UG) HE students had no financial or staffing impact because of our over recruitment of Postgraduate (PG) students.

Our numbers were built up on the monthly report from Executive Office (EO) who collate partnership wide data that is often complex because of network delivery and variable modes of study. The June report, however dropped our number from 1604 to 1577 - a reduction of 27 students without any prior warning.

The explanation for this is that those 27 students are enrolled as Graduate Apprentices and as such do not form a part of the PPF target.

We are seeking clarification as to whether or not they have been "double counted", miscoded or even funded. We will have a verbal update for the Board meeting.

Heads, Deputes & Structure

Following the appointment/conferment from Programme Development Manager (PDM) to the “Heads of” we have now conferred permanence to Amanda Bryan as Head of the School of Forestry. In addition, and as referenced above, we have appointed the following deputes:-

School	Head	Depute	Curriculum
Business, Computing and Hospitality	Nicola MacDonald	Catriona Grant	Business, Accounting, Admin, Computing and Hospitality
Care, Health & Well being	Heather Keyes	Kirsten Grant	Sport, Health, Social care, Early years, psychology, counselling, oral health, infection prevention
Construction and the Built Environment	Paul Moody	Carrie Higgins	Plumbing, painting, joinery, brickwork, arch tech, civil engineering, quantity surveying
Creative Arts	Sharon MacFarlane	Alison Woodside	Hair, Beauty, Art, Drama, Literature, ESOL, Humanities, Social Sciences, Creative writing
Education and Applied Sciences	Craig Lowther	Robyn Kennedy	Supported Ed, Essential Skills, Teacher Ed, Science, Geography, Maths, Aquaculture
Engineering Technology	Iain King	Andrew McIntosh	Fab/weld, mechanical, electrical, electrical installation, motor vehicle

As previously reported, this is a significant point in our maturation as an organisation where we are identifying and clarifying responsibly and recognition at all levels.

The new School structure will become operational from 1st August 2019. Following an interview process, we now have a full complement of Heads and Deputies. We have developed a training and development programme based on the annual cycle of the academic calendar, accountabilities of the posts and deployment within Schools. The Director of Curriculum has facilitated dialogue with the Heads regarding delegation of duties and integration of administrative support, to maximise the impact of the new structure.

Current developments under consideration at Academic Planning and Development Committee include new awards: Photography (NPA), Trichology (degree), various awards in Forestry/Rural Skills to plug gaps in provision and provide pathways for CPD, a CIPD Diploma in Learning and Development and a Level 4 Art and Design Foundation course.

Strategic Review

The work undertaken to produce a financial strategy has led to greater clarity around overarching strategic risks. As reported elsewhere, further work is to be undertaken to develop our risk registers. The work of building our new strategy has been broadly timetabled and will follow a similar pattern to the last strategic development process. This will include Board involvement, external stakeholder involvement, cross college working and reference to national and local imperatives and strategies. The finalised timetable will be shared with the Board at the next meeting along with further information on the exercise.

Programme Board

The work of the Partnership Assembly is ongoing. At the time of writing the second assembly has met and three of the four working groups have made their presentations via VC to the wider UHI partnership.

The second general assembly meeting received an overall and brief working group update. It was able to discuss the direction of travel and give guidance to the working groups. The wider UHI presentation concentrated on the context and reflected on the positive and robust attitudes of the meetings. The difficult conversations means that collective commitment to the process was critical to any progress and this was regarded as a key attribute. Some of the key working priorities of the board are as follows:-

1. Addressing the operational issues first

Previous attempts at change have focused on governance arrangements whereas most of our issues are operational. The board will address the operational model first to release our capability and capacity as a partnership.

2. Professional services

The programme board will consider how we can deliver professional services better to support that operational model and how governing bodies can oversee these functions.

3. From the bottom up

The programme board will set out a picture of the university from the bottom up, developing solutions to challenges raised and building a case for change.

4. Engaging our stakeholders

The programme board will engage and consult with staff, students and stakeholders throughout this process as solutions and options are developed.

5. Approval and governance

Academic partner boards and the university court must approve every step.

The working groups, who are responsible for producing outputs that will drive a case for change are as follows:-

A Student equivalence and experience

A partnership wide plan and approach to ensure equivalent student experience

B Financial sustainability and efficiency

An evidence base for change highlighting areas of best practice. A new way of comparing the efficiency of our operational delivery and allocating resources to match changes made in the operational model

C Staff development and progression

A consideration of the variation in staff experience and opportunity across the partnership and potential changes required to support a new operational model. This will include a framework for terms and conditions, pay, progression and mobility

C Governance and accountability

A picture of how things work now across the partnership and new ways of organising higher education, generating income and addressing the shortfall in student residences occupancy.

The following bullet points are the reported synopsis of the two working groups that have reported to the wider UHI to date.

Finance Group

- Finance is currently aligned to the colleges rather than to the curriculum. You therefore cannot see the profit and cost of teaching activities for courses / activities that are networked. We therefore cannot measure the profitability at a product level or if this is measured, it is not filtered down through management to allow people to act on that information
- That there is no strategic vision of what we are offering and therefore what will drive profitability and cost in the future. For example, the major costs are staff and estates. We were ahead of the field when we developed the VC network, but have lost that competitive advantage, we should be reducing the estate and reaching right into people's homes
- We are not managing our core business effectively enough, we need to address that to improve the financial picture
- The proposals of the group do not go far enough, we need significant strategic change to address the fundamental issues that underpin the financial challenges. Reforming the odd service or adding a few international students is not going to make the difference required
- Need a clearer view of how it fits with the other pieces of work that are being taken forward, need to create a coherent picture across the assembly and elsewhere of what we are doing and what we are seeking to achieve
- We need a much clearer picture of who does what in respect of FE and HE. This will mean EO will have to stop doing things and APs will have to stop doing things. Without this clarity and agreement we will continue to duplicate and muddle along

- To work through the areas identified, particularly if we take on redoing RAM, will take significant organisational capacity - we need to be sure that it is lined up to take on the work
- As we look to reduce duplication, and perhaps develop more shared services, we must be able to ensure diversity and flexibility. English language support services in SMO, for example, are a non-starter
- There should be greater engagement with Finance Directors and Non-executive chairs of F&GP Committees to add to the proposals being brought forward
- The focus on shared services is correct, but we also need to focus on different delivery models as well.
- We need the strategic vision - the financial models then need to be built to achieve that, not the other way round

Staffing Group

- Questions about the specificity of recommendations that will be coming forward
- Need to ensure the data is robust as some research staff are recruited under support staff contracts
- Has the group considered some softer additions to support staff cohesion? In particular
 - A cross partnership staff forum to engender more staff engagement and give a forum to discuss things like job shadowing, vacancies, systems, partnership wide staff agreements
 - Taken evidence from the HE academy work and considered how this might be made tertiary?
- has consideration been given to extending the survey any further
- Are there differences between the responses from FE and HE staff?
- The qualitative data needs to be analysed as there are always real insights
- The group needs to consider if the recommendations should be fed in to the National Bargaining process
- The nomenclature used across the partnership creates division and confusion for all partners. We need to get the language right
- That HE and FE staff think in very different ways and are looking for very different things from UHI - we need to resolve and untangle the tertiary nature of the partnership
- That the consolidation of HE support services is desirable and achievable, it should be the first step
- and a long discussion about the place of EO in national bargaining and the whys and wherefores of the role it has been able to take.

Reports from the student and governance groups will follow in due course.

Professor Christopher O'Neil
Principal and CEO

Board of Management

Subject/Title:	Register Annual Review
Author: [Name and Job title]	Prof Christopher O'Neil, Principal & Chief Executive
Meeting:	Board of Management
Meeting Date:	25 th June 2019
Date Paper prepared:	14 th June 2019
Brief Summary of the paper:	This report provides the Board with an overview of the risk register.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	No If yes, please specify:
Risk implications:	No If yes, please specify:
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

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

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

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

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

Following wide ranging discussion in the Learning and Teaching and Finance and General Purposes Committees which considered the existing risk register, it was agreed that adjustments and changes needed to be made to the risk register.

The committee considered the context of the register which in part is set by Executive Office (EO) and then by our local concerns.

Following “forensic” examination of the risks scoring, the committees concluded that some adjustments needed to be made immediately but more significantly, a root and branch review should be carried out.

It was agreed that this would be led by the Finance Director in the new academic year.

Professor Christopher O’Neil
Principal and CEO

Name	Risk Description	Causes	Impacts Evidence	Owner	Residual Likelihood	Residual Impact	Residual Risk	Res Colour	Actions To Minimize	Committee
Inverness_09.xml	College fails to identify and take opportunities for development and progression	lack of investment; insufficient funding; focus on mitigating downside risks; lack of strategic planning; lack of senior management resource; performance management focus on maintaining status quo; partners and stakeholders do not engage into proposed change; failure to develop commercial and international income streams.	Stagnation; lack of research and innovation; loss of potential income; reputational damage; curriculum becomes out of date; College is not seen as the partner of choice.	Principal	3	3	9	Amber	Oversight of curriculum planning process led by Depute Principals. Chairing Research Committee to review progress income/investment balance of each research grouping, continued discussuions with UHI Principal regarding IC UHI's potential expansion on Inverness Campus. Identification of opportunities by SMT through development of external relationships in key sectors. Identification of additional opportunities for development at team/subject level to maximise opportunities for growth. Ongoing, robust scenario planning and sensitivity analysis.	Learning, Teaching and Research, Finance and General Purposes
Inverness_18.xml	College fails to maintain high quality of provision and high performance against national targets and outcomes	Staff recruitment; staff training; student recruitment; lack of staff buy in to targets and outcomes.	Reputational damage; partners fail to support in College development; SFC intervention.	Depute Principal - P&SE Depute Principal - AD	2	4	8	Amber	Ensure that the suite of arrangements in place to maintain the quality of provision remain effective through continuous review . Ensure actions for improvement of identified weaknesses are implemented and monitored. Further develop the college's quality culture through staff engagement in enhancement arrangements and staff development. Further embed student partnership and student involvement in quality arrangements. Effective lisaion with external quality assurance agencies and awarding bodies to verify internal processes. Continuously benchmark against the best available practice and performance outwith the college.	Learning, Teaching and Research

Inverness_20.xml	College does not achieve allocated HE student number targets.	Failure to recruit sufficient students due to various factors such as: over ambitious PPF target, poor marketing, curriculum gaps, poor NSS result, poor relationship with schools, inability of UHI to react swiftly impacting on ability to convert applications to enrolments, and not addressing the changing demographic across the region.	Reduction of college income from UHI, regional student number target at risk resulting in possible clawback to SFC from UHI in year or reduction in future years grant. Possible plateau of student numbers after successive years of sustained growth.	Depute Principal - P&SE Depute Principal - AD	4	4	16	Red	Rigorous curriculum planning process in place, proactive development of school/college relationships, proactive development of relationships with employers, excellent quality management processes, systematic monitoring of applications through to enrolment to maximise conversion rates.	Learning, Teaching and Research, Finance and General Purposes
Inverness_21.xml	College does not achieve allocated FE Credit targets.	Failure to recruit sufficient students due to various factors such as: reduction in school leaver numbers, curriculum that lacks relevance to local economy, curriculum gaps, ineffective marketing and engagement with local schools/employers, environmental shift from FE to HE recruitment pattern.	Reduction of college income from UHI, regional student number target at risk resulting in possible clawback to SFC from UHI in year or reduction in future years grant.	Depute Principal - P&SE Depute Principal - AD	4	4	16	Red	Rigorous curriculum planning process in place, proactive development of school/college relationships, proactive development of relationships with employers, excellent quality management processes, systematic monitoring of applications through to enrolment.	Learning, Teaching and Research, Finance and General Purposes

Inverness_22.xml	The institution has a poor reputation.	Significant or sustained adverse publicity, governance/management failure, negative comments on social media, poor academic results, poor performance in league tables, significant withdrawal rates, major health and safety incident, student/staff involvement in criminal activity	Inability to recruit students or attract and retain high calibre staff, inability to attract funding and/or develop strategic partnerships.	Principal	2	2	4	Green	Internal audit of governance procedures (supported by additional process of external validation of self-evaluation), current and effective policy environment closely monitored to ensure compliance, use of externally validated quality frameworks to support organisational commitment to quality enhancement. Close monitoring of PIs and implementation of systematic process to effect improvement where remedial action required. PVG checks undertaken. Proactive promotion of collective ownership of Health and Safety management. H & S management system implemented and systematically reviewed. On-going media relationship management.	Learning, Teaching and Research, Finance and General Purposes, Human Resources
Inverness_24.xml	Non-compliance with relevant statutory regulations.	Lack of awareness of relevant laws and penalties. Management failures. E.g new General Data Protection Regulation from 25th May 2018, Bribery Act, Health and Safety Regulations etc. lack of incident and near miss reporting; high risk courses e.g. forestry, construction, aquaculture, science; people failing to take responsibility or ownership for health and safety issues.	GDPR will provide new rights for individuals and impose additional obligations on data controllers and processors. GDPR will also introduce an increased penalty framework for non-compliance/data breaches and includes new requirements for authorities to ensure that they maintain evidence to demonstrate compliance with the Law. Major risk to reputation caused by serious health and safety incident; risk to students caused by non-compliance with PVG/Disclosure requirements	Principal	2	3	6	Amber	Dedicated Health and Safety Management role, Health and Safety Management system implemented, systematic use of internal audit, SMT commitment and proactive leadership to develop a strong H & S management culture, strong emphasis on near miss recording and lessons learned, H & S Committee chaired by Principal, systematic recording and analysis of incident, accident and near miss trends, Dedicated Data Controller role with responsibility for awareness raising and adaptation of policy/procedures win line with legislative change, current shared project on effective data management with IT Manager, rigorous implementation of mandatory staff training. Director of Organisational Development with direct responsibility for awareness raising and adaptation of policy/procedure in line with legislative change. All of the above reported systematically to relevant Board of Management Committees.	Finance and General Purposes

Inverness 26.xml	Financial failure/operating loss. Inability to achieve a balanced budget.	Increased pay costs (national bargaining), pensions and NI contributions. Efficiency savings are not achieved quickly enough to counteract reductions in income. Reduction in unit of resource (FE and/or HE). Inability to attract or convert international students. Lack of timely support from central function .	Services cut resulting in reduction of teaching expertise and/or research and development capacity leading to a reduction in service quality leading to student dissatisfaction and risk of reputational damage; missed opportunities for development. Unable to enhance teaching and to attract and recruit new staff and students.	Principal	4	4	16	Red	Efficiency savings achieved through efficient and effective deployment of staff, effective cost control, all spend aligned to achievement of strategic aims and objectives. Lobbying regionally for share of regional funding that reflects actual learning and teaching delivered, lobbying nationally for increased funding for Highlands and Islands region to reflect on going increasing participation rates. Development of alternative income streams, SDS and apprenticeship family, bespoke provision, international summer schools, catering business and events management.	Finance and General Purposes
Inverness 28.xml	Academic quality is sub standard	Difficulty recruiting and retaining high calibre staff. Conditions and terms of employment are not competitive with limited scope for career progression; quality enhancement policies and processes are ineffective; student engagement is weak; performance management systems are ineffective.	Poor performance in quality monitoring/assurance reviews. Loss of staff to competitor institutions. Poor attainment levels, high level of withdrawal and poor retention, loss of income, damage to reputation.	Principal	2	3	6	Amber	Achievement and maintenance of IiP Gold reflecting organisational commitment to staff, development and maintenance of attractive recognition and reward systems, alignment with national pay bargaining, investment in CPD and staff development, not least support for advanced degree study, development of research and scholarship scheme, encouragement of staff ERASMUS exchange participation. Effective, rigorous quality management systems, systematic monitoring and reporting on PI trends and external verification processes. Effective staff induction and effective observation of learning and teaching. Maintenance of higher levels of formal teacher training certification. Development of research teaching linkages, promotion of conference attendance and speaking. Excellent employer engagement. Formal monitoring of quality of the student experience through the Learning and Teaching Committee of the Board of Management. Implementation of the Progressive	Learning, Teaching and Research

Inverness_29.xml	Poor Student Experience	No student union provision, restricted space available for students to interact socially out of college hours, inability to create a student community feel.	Poor performance in national student satisfaction surveys; difficulty in recruiting students; Risk to core income streams.	Principal	2	2	4	Green	Partnership approach in place to enhance the student experience evidenced by the Student Partnership Agreement, multi-faceted approach to student engagement and student feedback. Student feedback scores, trends and themes monitored systematically and inform action planning. Regional lobbying for capital funds to support the development of a students' union facility.	Learning, Teaching and Research
Inverness_30.xml	Institutional, personal and sensitive data and/or services are disrupted, corrupted, lost, stolen or misused.	Inappropriate use of IT systems. Poor IT security measures. Equipment with security holes. Poor patching regime. Anti-virus is not up-to-date and comprehensive. Firewalls are configured incorrectly. Coordinated DDOS attack on university infrastructure. Increasing number of security alerts. DDOS attacks on UK academic institutions up to 527 in 2015 - Janet CSIRT. Increase in cyber attacks such as ransomware reported in national media. Lack of staff awareness leading to poor practice. Ineffective training.	Information Commissioner fine of up to £500k. Adverse press coverage. Loss of confidence by regulators, stakeholders and HE sector. Ransomware encryption has been detected on UHI network.	Principal	4	4	16	Red	Firewalls and proxy filters automatically updated regularly. Proactive internal and external NVT and external scanning for at risk devices. Anti-virus software deployed to all corporate devices. Wi-Fi BYOD on segregated VPN. WSUS servers in place for regular MS Windows updates. Use of Janet Security advice service and UHIHelpdesk issues alerts for known attacks. UHI IT security group formed to share intelligence and react to published alerts. OpenDNS applied to cache filtering with added protection functionality against botnet, malware etc.. Real IP address ranges reduced. Out of hours password reset enabled. Clear policies in place. Regular training sessions on data protection and GDPR for all staff. Information Manager provides support to operational managers and training information available to all staff.	Finance and General Purposes

Inverness_31.xml	Research outputs are sub standard	Inability to fund remission to enable the publication of sufficient quality papers and upload to PURE; loss of opportunity to develop strong RTL; loss of key staff; lack of funding; terms and conditions of employment are not comparable with competitor organisations; impact of Brexit on access to European projects.	Damage to reputation. Brexit. Poor performance in next REF. Inability to retain staff and research teams. Reduced income; negative impact on recruitment.	Director of Re:3	2	6	Amber	Significant college annual investment in research to support development of research institutes and research embedded in the curriculum. Research and scholarship fund established to encourage further staff engagement in the research agenda. Support for staff through staff development fund to attend and speak at conferences. Dedicated research posts created. Proactive targeting of grant funding to support research activity. Staff encouraged to seek financial support for activity through relevant available UHI funds.	Learning, Teaching and Research	
Inverness_32.xml	A serious incident in the college residencies, including anti-social or illegal behaviour.	drug use and intelligence indicating the selling of drugs at or around the campus residences	serious dereliction of duty of care, health and wellbeing of student body, reputational risk and perception of an unsafe campus and learning environment	COO, UHI as a	3	4	12	Amber	law enforcement action including surveillance, engagement with wider campus to ensure intelligence led policing and security, consistent incident and disclosure recording and reporting protocols.	Learning, Teaching and Research, Finance and General Purposes

Board of Management

Subject/Title:	Finance Strategy Update
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance & General Purposes
Meeting Date:	25 June 2019
Date Paper prepared:	7 June 2019
Brief Summary of the paper:	To provide a brief update to the Board on progress against the Finance Strategy.
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 	Strategic plan – enabling strategy Risk management – addresses the most significant risk to the College of financial sustainability
Resource implications:	Yes If yes, please specify: Savings to be generated, some investment required to deliver eg international student recruitment
Risk implications:	Yes If yes, please specify: Operational: sets clear objectives that require improvements in efficiency and effectiveness. Organisational: if objectives not met then financial viability will be at risk leading to reduced offer
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

Finance Strategy – Update on Progress

Executive summary

The Finance Strategy lays out the College's key objectives relating to the ultimate goal of financial sustainability. This strategy aims to support the College enabling strategies in the achievement of the overall Strategic Plan and was approved in March 2019.

Background

The Finance Strategy for 2018/19 to 2022/23 was approved at the March 2019 Board of Management meeting. This was the culmination of many months work to identify a clear strategy and plan for addressing the challenges to financial sustainability.

What has still to be fully developed is a clearly defined process for effective monitoring and evaluation as a whole, rather than individual constituent parts of the plan. The plan identified the following elements:

Objective		Forecast 2018-19 £000	Forecast 2019-20 £000
Revised opening hours	a	22	67
20 new ITL undergraduate pa	b		200
Increase in tuition fee income	c	100	103
FWDF - net increase	d	70	72
Resource management	e		180
Other commercial inc generation	f	5	20

Status Update

- a) delay in moving opening hours changes to enable planned activities to continue during 2018/19. Last Saturday opening was 18 May. Evening activity will move to 2 evenings per week from start of next session. Minimal financial saving realised in 2018/19 but positive impact on Estates team as better able to deal with staff unavailability.
- b) Forecast increase for 2019/20, no impact on current year. However, budget for 2019/20 does not reflect planned increase due to difficulties in recruiting students and student applications clearing the UHI application process.
- c) Inflationary uplift applied to non-full time fee rates. Other increases dependent on additional student numbers. Increase in CITB rates not yet confirmed for 2018/19.
- d) FWDF – agreed activity level now at approximately £500k for 2018/19. Similar levels planned for 2019/20
- e) Resource management – no movement in 2018/19.
- f) Other commercial income generation – challenging target set for 2019/20. Activity displaced by FWDF.

Board of Management

Subject/Title:	Programme Board – Update and strategic recommendations
Author: [Name and Job title]	Professor Crichton Lang
Meeting:	Board of Management
Meeting Date:	25 June 2019
Date Paper prepared:	13 June 2019
Brief Summary of the paper:	The paper sets out the progress to date made by the Programme Board to address the areas of concern raised at the Partnership Assembly. It asks Boards of Management and the University Court two strategic requests at this stage to ensure the necessary work can be taken forward
Action requested: [Approval, recommendation, discussion, noting]	<p>For your strategic approval to release some capacity from your staff to work collectively on a number of projects/developments which can progress impactful change.</p> <p>For your approval to release information to enable detailed examination of potential savings and increased impact to be gained by working collectively. This will include financial and staff information.</p>
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	The Programme Board is leading a process of partnership wide change to address some of the long standing challenges that exist within our current structures, agreements and processes.
Resource implications:	The Board requires the involvement of key staff from across the partnership to ensure that the conclusions it draws and the changes it implements are fit for purpose and mutually agreeable
Risk implications:	There have been a number of attempts to address some of the long standing issues that exist within our partnership. The assembly involves all our major stakeholder groups, both internal and external, and therefore carries with it significant reputational risk if it does not deliver changes that move the partnership forward. A number of the areas identified to date carry significant risks in respect of financial sustainability, staff retention and staff recruitment if left unresolved.
Equality and Diversity implications:	None

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

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

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

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

1. Introduction

In my address as chair of the programme board, to the most recent assembly in April, I outlined our evolution as a regional partnership as one driven by our particular ambitions, but also by external factors. As our collective activities in education and research have grown in response to specific opportunities and circumstances over the past ten years or so, the overlaps in activity, interests and sharing of resources across the academic partners and executive office have changed. We have developed collective processes to support planning, to manage quality and to pursue opportunities that continue to populate a collective space. The university, by definition, is now the totality of what we are all doing and achieving. However, our shared operation in this collective environment remains complex and time consuming as we seek to accommodate a model that is perhaps not what any of us would have envisaged at the outset of the university's development.

2. Why is our evolution so difficult?

This complexity is not because we cannot share and collaborate, nor is it the case that we do not see the benefit in doing so. However, the areas where we have developed good, collaborative, shared processes are often at a relatively lower operational level, around particular curriculum or specialist areas. They are, very often, where we are adding to our activities, rather than looking to make existing areas more shared or in areas with significant financial or strategic importance across multiple partners. It is clear to the programme board that we have been unable to make progress at this level, particularly where there is a need to balance local and regional interests. We struggle to work collectively and, in new ways, to address shared financial or operational challenges or to seize the big opportunities. Bluntly, this limits our sustainability, growth and impact.

3. Commitment and the assembly

The case for change has been articulated repeatedly over the last ten years and is now even more pressing because of financial challenges and competition in our sector and region. We know we are following some less successful attempts to drive change forward. There is progress, but this time we must find a way to move forward in the more challenging areas and with greater speed.

We made a clear commitment to our internal and external stakeholders at the assembly in September 2018 to investigate and try to solve our most difficult and pressing issues. We need to enable the university partnership not just to achieve sustainability, but also to thrive and deliver even more to our communities.

4. The programme board

The assembly formed the programme board, with staff (executive, non-executive, teaching and support) and student representatives to develop partnership-wide options for change. The programme board is charged with gathering evidence and making detailed recommendations to the assembly for consideration by academic partner boards and the university court.

The programme board has been meeting monthly since November 2018 and has formed four working groups from its membership:

- Financial sustainability and efficiency
- Staff development and progress
- Student equivalence and experience
- Governance and accountability

The programme board offers us a new way to view, debate and solve our collective problems. It illuminates a partnership approach that can cut through some of the existing issues in our current ways of working. It can be a testbed for trying new things and commissioning appropriate groups to take change initiatives forward with agreed targets for success.

5. Cultural change and the future

The programme board has also determined that we need to create a culture across the whole organisation that clearly recognises the need and benefits of change. We have acknowledged this need for some time but, like other initiatives, have been unable to move forward in this respect

I understand why there will be resistance to change. People will be sceptical, concerned or meditative about the need for change and the impact on them. Our earlier efforts and failures to change have decreased confidence that change is possible. There is also a level of frustration that, as leaders of this partnership, we have not been able to make meaningful change at the pace required.

We are at a point in our evolution where our development needs to be predicated on a strong and open partnership-wide culture with students at the centre. This will help us to maintain focus on our mission. It will help us share our risks and decision-making in an environment where discussion is stimulated and not criticised, where different views are welcomed and debated, but ultimately where progress can be made through consensus.

This cultural change is just as important as any specific initiative for change. The programme board will seek to operate within this culture but will also aim to promote that culture more widely. The initial recommendations from the working groups will only represent a starting point; many more evidence-based recommendations will need to follow, and in due course include proposals for change in more challenging areas. These initial stages need to be the start of how our partnership reflects, formulates and progresses its options for change. We want this to blossom across future work.

There may be a sense of frustration that we are not doing more, quicker. However, these initial steps need to create the 'headroom', financially and culturally, to launch and facilitate a larger programme of change over the next few years.

6. How programme board formed its recommendations

The four working groups have approached their task with the same brief: to bring forward an evidence-based case for change with a degree of prioritisation in their respective areas. They are currently at different stages in their deliberations. All groups have identified issues with gathering, sharing and analysing partnership-wide data and with securing the staff resource to gather and analyse that data and take forward any agreed initiatives.

The student group is compiling a survey to gather more information, due for distribution in the new academic year. The staff group has carried out a comprehensive survey of attitudes and aspirations of staff and we hope the analysis of this will stimulate a number of work streams. The finance group has identified a number of immediate initiatives that could not only help with efficiency and financial saving but also drive developments and income through allowing effective use of our shared resource. The governance group have concluded that many of our issues result from a lack of clarity around how our partnership operates and the balances between local and regional, individual academic partner and partnership, and academic partners and executive office and need to explore how this can be resolved.

The board has received clear feedback that it is important that we do not duplicate effort, but contextualise the work of the programme board with other ongoing partnership initiatives and ensure coherence with existing governance structures. Examples include the branding project, the emerging internationalisation strategy, or the single further education policy environment. The next phase of our work will ensure this happens, linking existing projects with the programme for change wherever appropriate.

It is also essential that recommendations are set out in a positive context and at the right level of detail and expectation, with clear timelines, milestones and success criteria.

7. The role of governors and what the programme board is asking for at this stage
When we formed the programme board, we committed to bringing proposals to you for your consideration. I am also conscious that, as governors, you should be particularly concerned with strategic direction and not operational matters.

At this stage, I have two specific requests for your consideration and approval:

For your strategic approval to release some capacity from your staff to work collectively on a number of projects/developments which can progress impactful change.

Practical examples of this emerging from working group proposals would be:

- a task group, or groups, to look at our recruitment, marketing, admissions and communications resource to improve joint working and maximising the impact of collective resource.
- a structured approach to considering how consolidation of HR systems and policies, could assist with staff development, recruitment and retention, and a greater equivalence of staff experience across the partnership.

For your approval to release information to enable detailed examination of potential savings and increased impact to be gained by working collectively. This will include financial and staff information.

Practical examples emerging from working group proposals would be:

- the examination of financial reporting procedures and how we can improve financial transparency at the level of specific service or curriculum areas to inform review and measure the impact of any changes;
- supporting a joint approach to international student recruitment, with clear financial targets, to maximise financial gain; and
- in parallel with greater financial efficiency and income generation, both a and b above, logically lead to:
 - the need to review resource allocation models operating within the partnership and be open to change in these, and
 - the need to consider our approaches to targeting investment and measuring financial benefit and other added value accrued from investments.

8. Timeline

I take up my interim position as principal and vice-chancellor on 1 August. I am committed to progressing the initial recommendations from the working groups over the period of my tenure, with a view to completing and delivering on the majority of these before the start of the 2020/21 academic year.

Through my commitment, I hope to instil an ongoing mechanism for progressing change in our partnership and engendering a culture that makes these changes possible. I need your strategic commitment and support to do this.

Professor Crichton Lang
Chair of the Programme Board
June 2019

Appendix - working group progress and recommendations

The detail from the working groups and the programme board is shared online and we will continue to run assembly events throughout the next academic year. The programme board will publish a detailed timeline for next academic year shortly so that we can monitor and assess progress to deliver the changes.

The working groups have been considering the evidence base in their respective areas and are at different stages in their considerations. A short overview of their progress is noted below, with next steps and recommendations highlighted.

Student equivalence and experience working group: progress and next steps

The student group identified a lack of clarity and evidence in how student equivalence is understood and measured across the partnership. They have developed a robust methodology to produce a partnership-wide survey to test existing equivalence across all aspects of the student experience.

- They will hold student focus groups at the beginning of the next academic year to help finalise the survey questions and format. The survey will be distributed to students, alumni, and a representative range of internal and external stakeholders. The data from the survey will be analysed and will help set ongoing priorities for change.

Staff development and progression working group: progress and initial recommendations

There is a considerable body of work generated by staff focussing on the challenges that they experience within our partnership. This includes the opportunities for development and progression, the different terms and conditions across the partnership, and the applicability of those to the further education and higher education areas of operation.

The staff group developed and distributed a survey, which was completed by 30% of staff from across the partnership.

- The full analysis of the survey is ongoing and they hope to report by the end of July.

This will provide a significant body of evidence that all the working groups and the programme board will build into their areas of work.

Two areas that the staff group have identified recommendations for early discussion and exploration with colleagues are:

Consolidation of human resources systems and staff - rather than 'shared services'. The working group proposes an exploration of the consolidation of HR systems and policies for all academic partners and executive office. In addition, exploration of the drawing together of HR staff from some academic partners and executive office into a single HR department or distributed team to improve our ability to make agreed changes across the entire staff cohort.

A new coordinating HR development role: "occupational design/human resources change coordinator". The working group is proposing an exploration of the establishment of a specific resource to work with HR colleagues and others across the partnership. This resource would develop and manage implementation plans to progress the recommendations above, and additional recommendations that may arise from further analysis of the staff survey data. This resource would also ensure that HR implications of any aspect of change that the programme board develops are considered and managed effectively.

Financial sustainability and accountability working group: initial recommendations
Despite working with incomplete financial data, the finance group identified that there are opportunities to reduce duplication and improve income generation and financial processes to promote long-term financial sustainability. Initial recommendations to address these challenges are:

- creating robust financial reporting procedures to ensure that detailed and timely financial data is available to inform review of all service and curriculum areas across our collective activities. This aims to improve clarity regarding what executive office delivers, in parallel with analysis at a functional level across the whole partnership.
- a review of recruitment, admissions, marketing and communications functions.
- ensuring the internationalisation project progresses to agreed timelines and outcomes, and using this as a case study of new collective approaches to investment and optimising income.
- monitoring strategic planning to reduce deficit and increase occupancy of student residences, and using this as a case study of collective approaches to managing financial risk.
- analysing the direct and indirect costs of running governance and senior executive structures and then setting appropriate financial efficiency targets.
- reviewing the resource allocation model (RAM and microRAM) to support improved sustainability and growth of our curriculum at all locations.

Governance group: next steps

The main conclusion the group has drawn is that there is a lack of clarity around some of the fundamental principles of how the partnership operates. This has a direct impact on the ability of the partnership to make difficult decisions and hold all partners to account for the delivery of local, regional and support service provision.

The group has observed that while there is a good level of agreement about what the issues are, there is significant variance in opinion on why the issues exist and how they should be addressed. This picture is complicated by the perceptions that people hold of the different elements that make up the partnership.

The group intends to work over the summer and early autumn with Principals, senior colleagues and key internal and external stakeholder groups to develop workable proposals that address the challenges inherent in our decision-making, accountability and governance arrangements. The discussions will focus on:

- clarity in the authority of decision making at both a regional and local level, and definitions of autonomy within this.
- the performance management framework that holds partners to account and the extent of its reach.
- defining lines of responsibility and accountability and working within these where partnership decisions have been taken.
- the extent to which the partnership will rely on collaboration as opposed to direction.
- The outputs from the staff survey.
- proposed changes to operational management structures to ensure successful implementation and collaboration.
- the shape and extent of any necessary governance changes to ensure successful implementation and oversight.

The working group will present the outcomes from these discussions to the Assembly in October 2019.

Committee	Partnership Council
Subject	Regional Strategic Body Self-Evaluation Questionnaire
Action requested	<input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Brief summary of the paper	At the request of SFC, the RSB has completed a questionnaire evaluating the effectiveness of the RSB in meeting its core statutory duties and wider regionalisation aims. The draft response to this request is attached for consultation with partners.
Resource implications (If yes, please provide details)	No Click or tap here to enter text.
Risk implications (If yes, please provide details)	Yes Risk of RSB/Region not being seen to be making further progress against regionalisation aims.
Date paper prepared	23/05/2019
Date of committee meeting	29/05/2019
Author	Dr Diane Rawlinson Vice Principal (Further Education)
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information. 	Click or tap here to enter text.

<u>Equality and diversity</u> Does this activity/ proposal require an Equality Impact Assessment?	No If yes, please give details: Click or tap here to enter text.
<u>Data Protection</u> Does this activity/ proposal require a Data Protection Impact Assessment?	No If yes, please give details: Click or tap here to enter text.
Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	No If yes, please give details: Click or tap here to enter text.
Status (e.g. confidential)	open
Freedom of information Can this paper be included in "open" business? *	Yes
Consultation How has consultation with partners been carried out?	Implicit in paper

* If a paper should **not** be included within 'open' business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

For how long must the paper be withheld? Click or tap here to enter text.

Regional Strategic Body Self-Evaluation Questionnaire

1a. What are the mechanisms for establishing the needs of students and employers in the region?

At a regional level, the University has representation at a senior level on the Highlands and Islands Skills Investment Plan (HISIP) Programme Board, a group established to develop and monitor progress against the HISIP Action Plan. Members of the HISIP Programme Board represent the local authorities in the region, Highlands and Islands Enterprise, SDS, SCDI, Bòrd na Gàidhlig and NHS. The group reports to the Convention of the Highlands and Islands (COHI) and seek to collectively develop and deliver against a strategy to support regional skills development that is responsive to demand and underpins regional economic growth.

The group draws upon data commissioned by SDS (Skills Investment Plan/Regional Skills Assessment data) and surveys commissioned by HIE to inform its deliberations and action planning. Partners listed above also feed intelligence on local developments to the group, on an agency by agency or local authority area basis.

Each academic partner takes the lead in building relationships and playing an active part in Community Planning Partnership arrangements. In the case of Argyll College, this participation extends across several community planning partnerships. For others, such as Moray College, Shetland College, Lews Castle College and Orkney College, this is a simpler relationship between one college and a single community planning partnership. Perth College has membership of the Perth and Kinross Community Planning Partnership, making use of the Tayside Regional Skills Assessment data to inform curriculum planning. In the Highland local authority area, three UHI colleges (Inverness College, North Highland College and West Highland College) work collaboratively with the Highland Community Planning Partnership, rotating representation on the CPP Board while each are actively engaged in the CPP sub-committee structure.

Academic partner principals come together regularly to share intelligence on local developments and progress against the HISIP Action Plan and these updates are fed into the Highlands and Islands regional update through representation on the HISIP Programme Board.

The University has recently created a senior post with responsibility for coordinating the University's response to strategic developments. This post is key to ensuring that the University is able to draw upon its collective resource in a coherent manner to offer optimum support to substantial economic development opportunities. The post holder is taking a lead role in relation to City and Local Area Deals, industry-focussed developments such as Spaceport in Caithness, Liberty in Lochaber and Boeing in Moray.

In addition to the arrangements described above, academic partners have local arrangements in place to facilitate communication between employers and the college. This interaction supplements the higher level interaction with CPPs and takes place at a variety of levels including:

- proactive engagement with employers to grow Modern Apprenticeship contracts and CPD;
- participation of employers in groups established to support curriculum staff, ensuring the on-going currency and relevance of their courses in terms of content, quality management and delivery mechanisms;
- employer led projects as well as facilitation of partnerships between schools and employers to support development of foundation apprenticeships and in the longer term, workforce planning.

As described above, the region has a clear focus on student destinations and makes best use of its tertiary span to support students in offering seamless progression across all SCQF levels. The University has a well-developed Students Association that spans all academic partners. Student representation systems and mechanisms to support student engagement are well developed and students have a role in the highest levels of both executive and non-executive decision-making.

The Quality Forum has worked in recent years to harmonise quality management processes across the region. In 2018/19 academic partners have agreed to the development of standard quality assurance processes across the region and this work is now well advanced. Quality enhancement processes are well-aligned across the region but are locally defined. Both the activity of the Quality Forum and that of the Single Policy Environment Project, has introduced, in recent years, a higher level of consistency to the student experience across partners.

Each academic partner makes use of a strong evidence base to inform evaluative reflection to inform planning. The Regional Strategic Body participates alongside Education Scotland in Evaluative Report and Enhancement Planning meetings at the pre-endorsement stage. Endorsed reports and action plans are regionally shared.

Regional groups at executive level (Quality Forum, Senior Management Curriculum Team, Partnership Council) and non-executive level (Further Education Regional Body, Court) monitor progress against regionally established targets (published in the Regional Outcome Agreement) relating to strategically targeted activity (disadvantaged groups/key industry sectors), student satisfaction and student performance against a range of measures.

1b. How are these regional needs used to plan regional provision?

The University partnership makes good use of local and regional labour market information and student trend data to propose regional targets that underpin regional and local curriculum planning. These targets are negotiated with The Scottish Funding Council (SFC) through the Regional Outcome Agreement development process. Academic partner principals come together to discuss the alignment of proposed targets with regional and local need, using local and regional intelligence and trend data to do so. During this process, the region's activity is benchmarked, not only against local and regional performance of previous years but also against the national context.

Partners make good use of RSA data and other labour market intelligence, collected through the mechanisms described in the previous section, to inform curriculum planning and regular portfolio review to ensure on-going responsiveness of their curriculum offer. Locally, curriculum mapping is carried out to ensure that the curriculum offers flexible access to students and clear lines of progression to employment and higher education opportunities. In recent years, Tertiary curriculum Mapping Groups have been established across subject groups to map the regional offer. These groups have been tasked to map access and progression opportunities, identify gaps and propose additional areas for development. They have also worked to rationalise course titles, simplifying, wherever possible, the offer and progression routes for students. A project has been initiated to develop an on-line curriculum mapping tool for use by students and prospective students needing to clarify routes to career and further study destinations.

In 2018/19 the region developed a regional Strategy to Support the Enhancement of Student Attainment. This strategy was developed in collaboration with all partners delivering further education to drive a coordinated approach to addressing the challenges faced by disadvantaged students and mainstream students with the aim of achieving ambitious student attainment targets.

As yet, no standard regional systematic approach to curriculum review has been agreed across academic partners to give both academic partners and the Regional Strategic Body assurance that curriculum is well aligned to current and emerging skills development need across all communities within Highlands and Islands and Perth and Kinross. A proposed approach to this has however been discussed at SMCT with the intention of further exploration.

2a. Does the RSB have a robust, evidence-based plan to inform its strategy, the regional curricular offer, and the associated outcome agreements?

As described above, the RSB interacts with partner agencies through formal mechanisms such as the HISIP Board to align its strategy and curriculum offer. Academic Partner strategies and local curriculum plans are aligned to the University's Strategy and informed by labour market information, not least regularly refreshed RSA data. The geographical spread and diversity of the region requires local strategy (albeit aligned at a higher level to the regional University of the Highlands and Islands Strategic Plan) in order that partners can continue to demonstrate the responsiveness of the curriculum offer to local economic and community development need.

As yet, there is no formally agreed process to assure academic partners and the Regional Strategic Body of the alignment of academic partner strategies to the overarching University of the Highlands and Islands Strategic Plan.

Regional fora such as the Quality Forum, engages in analysis of performance data across outcome agreements, benchmarking performance at the level of region, academic partner and subject against national data where this is available. A regionally maintained automated report gives academic partners live access to local and regional performance against ROA targets.

2b. How does the RSB ensure the right provision in the right place across the region, making best use of college's resources and facilities?

A Financial Memorandum that mirrors the Financial Memorandum that specifies the relationship between the Scottish Funding Council and the Regional Strategic Body, is signed by the Regional Strategic Body and each academic partner. The financial memorandum specifies the need for each partner to secure 'high quality further and higher education provision'. Furthermore the Financial Memorandum requires each academic governing body to ensure that funding is used 'economically, efficiently and effectively.' The need to have the right provision, in the right place, making best use of college's resources and facilities is implicit in these requirements.

In 2018/19, as part of the process of Regional Outcome Agreement development, in line with Scottish Funding Council conditions of grant, each academic partner has asked to undertake a formal consultation exercise with community planning partnerships with which they engaged. In adopting a local approach to consultation, the Regional Strategic Body aimed to engage with each CPP offering opportunities for agency partners, in particular local authorities, to scrutinise regional plans and the proposed local contribution to implementation of these.

3. Are there coherent and connected regional responses on specific provision, including:

- ***Foundation Apprenticeship Programmes?***
- ***Early Learning and Childcare Expansion?***
- ***Developing the Young Workforce offer, including partnership working with local authorities?***
- ***Flexible Workforce Development Fund?***
- ***Widening Access? (HE additional comments?)***

The RSB established the UHI Work-Based Learning (WBL) Hub in 2016. Sponsored initially by SDS, the UHI WBL Hub provided regional co-ordination of Foundation Apprenticeship contracts, working with academic partners to grow this provision in response to the national agenda. The WBL Hub initially supported early pilot programmes across a small number of partners but quickly expanded provision across more frameworks and a greater number of partners. In the first two years of its operation, the WBL Hub supported the region to deliver more than 25% of the Foundation Apprenticeships delivered nationally. The WBL Hub has relieved academic partners of much of the administrative burden associated with the contracting process, liaising on behalf of partners with SDS wherever possible. The Hub has also helped partners to come together in a single contract to achieve the necessary economies of scale to minimise the potential negative impact on performance scores that can arise when operating on a micro scale. The Hub has supported the development of communities of practice across foundation apprenticeship frameworks to ensure curriculum development is undertaken collaboratively, avoiding unnecessary duplication of effort. Academic partners have also worked across CPP boundaries to broaden the Foundation Apprenticeship offer in rural and remote areas through technologically-enabled delivery. The regional Foundation Apprenticeship provision continues to grow across all academic partners.

Our academic partners are in regular discussion with employers within our region in relation to the expansion of early learning and childcare to identify their needs, workforce planning and local demand for suitable qualified professionals. The university has additional funded places for HNC and BA Childhood Practice. The 2018-19 allocated increase in these places, especially for the HNC, was out-of-step with what employer-defined demand. Local employers were not expecting this level of increase in unfilled vacancies for suitably qualified professionals. Where there is an increase in demand, many employers are concentrating on upskilling existing employees and converting part-time employment to full-time. This is evidenced in the increase in interest in SVQ 2 and 3.

However, wherever there is demand from applicants and employers, we work across the region to find flexible ways to make that provision available. For example, the university partnership was successful in bidding for funding from the Men in Early Years Challenge Fund to pilot a fast-track childcare course targeted at men in a bid to tackle gender stereotypes and encourage more people into the profession. The pilot is at SCQF L6 and successful students will be guaranteed an interview to the university's HNC Childhood Practice. Perth College UHI has also delivering the HNC Childhood Practice over one year to staff employed in the local sector through a route that sees them undertaking SVQs in their workplace and the college delivering the HN units online with twilight sessions on campus.

More recently the university successfully bid to run a pilot graduate apprenticeship in this area, which has generated interest from employers across the region.

The region plays a significant role in the region's 'Developing the Young Workforce' offer. This is managed locally with each academic partner managing relationships with local authorities relevant to them. In the case of Highland Council, three partners (Inverness College, North Highland College and West Highland College) work collaboratively with the local authority to co-ordinate a Highland senior phase offer. This is technologically enabled where opportunity arises.

The region overall dedicated a far greater proportion of its credits to the senior phase offer than is the national norm. The national percentage of credits dedicated to senior phase pupils studying

vocational qualifications delivered by colleges in 2017/18 was reported to be 1.38%¹. Regionally in 2017/18 4% of credits were dedicated to this activity. Similarly in 2017/18 the region dedicated 13% of credits to school/college collaborative activity for pupils in S3 and above. Nationally this activity was reported as being 5% of total credits. The proportion of credits dedicated to school/college collaborative work varies significantly across the region, reflecting the differing role played by colleges in urban and remote/rural areas respectively. In the latter, a very high proportion of the college's activity can be dedicated to this work as local authorities and school draw upon the college staff and facilities resource to bring the required breadth to the curriculum. Although the Foundation Apprenticeship provision is significant and growing, this is one strand of a much broader offer.

Although academic partners have developed local access and inclusion strategies, these have been developed in the context of regional discussion and mutual understanding of the challenges the region faces. Activity in relation to enhanced engagement with and improved attainment rates of disadvantaged groups is directed through a collaboratively developed regional strategy.

The need to build on the success of the regional approach to curriculum planning and associated contractual arrangements exemplified by the work of the UHI WBL Hub has been recognised and work is underway through the newly formed Schools strategy Group to establish a regional senior phase offer, maximising the use of technologically enabled provision. This work is a priority for the region.

A regional approach has been taken to the administration of the Flexible Workforce Development Fund bringing senior business development managers together to agree its operation. In 2017/18, the region managed to deliver training to the value of £576,743 to Levy-payers in the region, against a regional allocation of £898,297. In 2018/19 it is expected that this fund will be over-subscribed. In 2017/18 applications to the fund were approved at a regional level by a committee of academic partner and EO representatives. This process is now locally managed to give partners flexibility in their negotiations with Levy-payers but information is shared between partners using a Sharepoint facility and reporting to SFC is regionally managed.

An evaluation will be undertaken with academic partners at the end of 2018/19 on the operation of this fund to establish whether it should be differently managed in 2019/20 should further funding be made available.

The university is committed to widening access and supporting disadvantaged learners into higher education. One of the key elements of this is the continued development of integrated tertiary pathways from school to further and higher education using academic and vocational routes to maximise opportunity. Through these pathways, we are delivering truly seamless supported learning journeys. As our academic partners are locally based within our communities, we can enhance the tertiary provision through relevant outreach activities promoting access to the most hard-to-reach individuals and groups, as well as working in partnership with relevant local organisations.

We are committed to improving access to our tertiary pathways across a diverse region which encompasses the specific challenge of rurality and rural deprivation. The development of an online

¹ Scottish Funding Council (2018) College Region Outcome Agreements Summary of Progress and Ambitions report
2018 file:///T:/Principals%20Office/VP%20Further%20Education/ROA%20Development/Colleges_Progress_and_Ambitions_Report_2017-18.pdf

curriculum mapping tool will make these pathways more visible and relevant to prospective and current students, employers and influencers.

The university recognises that admissions is a vital aspect of widening access to higher education. We are in the unique position of being able to offer a wide range of entry points into the learner journey making us a highly accessible institution to all groups of prospective students irrespective of background or life circumstances. This includes opportunities for articulation for our own HN students and those from other Scottish colleges, with advanced standing where appropriate, to degree programmes, as well as extensive use of Recognition of Prior Learning. Our published entry requirements are set at the minimum required to successfully complete a programme and do not present an unnecessarily high (selective) barrier for applicants. The university's contextualised admissions processes have formalised our inclusive approach to applicants. Contextual data is used to assess an applicant's prior attainment and potential to succeed in higher education in the context of the circumstances in which their attainment has been obtained. The development of the regional FE admissions policy builds on the HE experience and standardises practices for identification of protected characteristics at the point of application, guaranteeing interviews for some disadvantaged groups and provided learning opportunities for practitioner groups in terms of provision of support.

The university's regional marketing and communications practitioners group share and develop good practice on recruitment including targeting under-represented groups and addressing areas of multiple deprivation and rurality.

The university-wide care leavers and carers group is developing student support strategies and operational plans for students across the region. Following, an institutional review of support for student mental health, a mental health lead practitioner role has been appointed to develop a regional student mental health strategy. Regional approaches to other priority groups are in development including veterans and estranged students.

3. How does the RSB engage with its assigned colleges to agree their contribution to delivering the regional plan?

Historically, the RSB has engaged with partners as a group to establish regional targets prior to commencing negotiations with SFC. Although academic partner principals agree a rationale for the regional targets each year, with the exception of student activity targets, disaggregation of targets to the level of academic partner has not been undertaken to date.

In 2018/19 academic partners and the Regional Strategic Body agreed to the disaggregation of Regional Outcome Agreement targets. The principles underpinning the disaggregation were agreed as follows:

- Responsibility for achievement of ROA targets remains regional;
- Disaggregation of any specific target is intended to clarify action required to contribute to the regional target rather than representing a transfer of responsibility;
- Targets will not be allocated on a simple formulaic split but will be informed by data trend analysis, development need and development capacity;
- Academic partners will lead on and participate in regional improvement strategies and initiatives;
- Academic partners will work on enhancement initiatives on a collegiate basis, facilitated by the Quality Forum, drawing on regional capacity for improvement;

- Action planning for improvement will encourage creativity and innovation at a local and regional level;
- Wherever possible and appropriate academic partners will seek to support the transfer of effective practice;
- Academic partners' action planning will work towards achieving parity of student experience across the partnership.

The disaggregation is intended to assist academic partner senior management teams and boards of management in identifying a clear line of sight from local activity to the regional outcome agreement targets. Partners will propose targets that will contribute to achievement of regional targets, with these being subject to further negotiation should that be required.

Agreement on distribution of credits is reached at Partnership Council and recommendations made to FERB for approval of the distribution of credits and associated funding. A separate Group, the ESIF Credit Operations Group agrees distribution of ESIF credits and negotiates adjustments as and required.

The Quality Forum has undertaken work in recent years to develop a more collaborative approach to enhancement activity, working to harmonise quality assurance and enhancement policies and procedures and to manage student satisfaction surveys and emerging data.

The Quality forum also took the lead in developing a consistent approach to the Evaluative report and Enhancement Plans required as part of the Education Scotland external review process. Senior curriculum managers also undertook to reference in the EREP high level regional strategies to which local enhancement activity was aligned with the aim of establishing a clear thread running from the ROA to local action planning.

In 2017/18 the region collectively developed a Regional Strategy for the Enhancement of Student Attainment. This strategy drew partners together to develop approaches to enhance mainstream student attainment and that of disadvantaged student groups. The implementation of this Strategy in 2019/20 will deliver further alignment of partner enhancement plans with the ROA.

The response to some targets, for instance improving attainment levels for students residing in areas of multiple disadvantage, will be managed on a cluster basis bringing together partners with SIMD10 post code zones in their catchment areas. Others, for instance improving the attainment of students with care experience, will be informed by the work of a partnership-wide community of practice where best practice can be shared.

The Quality Forum initiated in 2018/19 curriculum reviews in subject areas where attainment levels were low. This was the region's first attempt at collaborative cross partnership evaluative work of performance at subject level in further education. The region plans to build further on this work in the next academic year.

4. What steps are taken to ensure that efficiencies are maximised within the region?

The requirement for each academic partner to achieve value for money, to be economical, efficient and effective in its use of public funding is explicit in the financial memorandum between the University and its academic partners. Notwithstanding this expectation, the RSB strives to facilitate further efficiency gain through regional initiatives such as those described below.

During academic year 2018/19, the region launched the Single Policy Environment Project, to create a policy framework for FE that all partners delivering further education could buy into, thereby

reducing duplication of effort in policy development, equalities impact assessment and policy review. This project has also helped manage risk across the partnership through better management of corporate knowledge (using a Sharepoint facility to centrally develop and store policy and procedural documentation). As this knowledge tended to sit with individuals in partners, rather than with teams, as would be the case in larger organisations, the risk of service disruption should a member of staff leave for any reason was high. Now, through the development of communities of practice and partnership-wide development of a consistent approach, partners are better able to provide support to one another, should any temporary skills gap emerge in any one partner.

Policies have been developed through Policy Ownership Groups that bring together specialist practitioners from each partner. Each group has considered the current practice in each partner and, where potential has been identified, transferred best practice to all partners, enabling efficient implementation of improvements, saving each partner from a linear process of gradual improvement. Wherever possible, opportunities to automate systems on a regional basis have been taken.

The regional Quality Forum has worked to align quality management processes adopted by academic partners for a number of years now. In 2018/19 partners agreed to adopt a standard quality assurance and enhancement process and this is currently being developed. Again, this work is producing efficiency gain through reduction of duplication of effort and through speed of transfer of practice. Partners are encouraged to continue to explore creative approaches to enhancement activity but with the expectation that proposed systems change would be considered and adopted regionally rather than locally.

The development of a Foundation Apprenticeship contract, a regional Modern Apprenticeship contract and a regional Graduate Apprenticeship contract with SDS has helped to maximise efficiency gain for the region. In the case of Foundation Apprenticeships, through the development of a regional rather than individual contracts with SDS, partners have been able to achieve economies of scale in the presentation of their FA numbers, avoiding undue financial penalty in the operation of contract performance management that can occur in very small partners where single student outcomes can significantly skew performance scores. Regional management of curriculum materials and sharing of delivery practice has also created efficiency gain as has regional contract management which has reduced the administrative burden on partners.

Further work has been undertaken to develop a regional approach to student data management, bringing MIS and Student Records staff together to develop and adopt a standard approach to management of student application, attendance, entering of results and curriculum planning. Through this process, partners have identified best practice within the partnership and built further on this to enhance practice further. This data management framework is in the process of being finalised and will underpin further projects such as the development of a regional dashboard reporting tool and the development of on-line curriculum maps that will help current and prospective students navigate progression pathways to further study and employment destinations.

Enhancing retention and student attainment is key to maximising efficiency gain within the region in maximising the impact of each funded place on the lives of students and the economy of the region. To this end in 2018/19 the region collectively developed a regional strategy for the enhancement of student attainment to address challenges in attainment of mainstream and disadvantaged students. This strategy will drive enhancement activity in 2019/20.

The region has achieved efficiency gain through central provision of IT network and VC services. The region recognises that further efficiencies could be gained through further development of shared services such as Finance, HR, MIS/Student Records and Quality Management and is committed to pursuing this agenda in light of the considerable financial challenges the region faces.

5. Is the Provision across the Region Coherent?

The regional strategic body has responsibility for provision of further education across a geography that comprises more than a third of the land mass of Scotland, spanning urban, island and inaccessible remote and rural communities. Given the diversity of contexts within which each college works, the curriculum across the region needs to balance local need whilst ensuring progression pathways extend beyond the local context, offering routes through further and higher education to employment and rewarding career opportunities.

Each academic partner takes a lead role in liaising with their community planning partnership and in making use of regional skills assessment, regional skills investment plans and industry sector skills investment plans to align local provision to local and regional need. In 2018/19, in line with SFC guidance, academic partners consulted with CPPs, with particular attention being paid to the local authorities with which they work on the proposed ROA for 2019/10 and the intended contribution the college would make to achievement of ROA ambition and targets. The requirement for each academic partner to assure itself of the effectiveness of its activity is written into the financial memorandum agreed between each academic partner and the University as RSB.

In addition to this local planning, the region is engaged in regional curriculum planning through Tertiary Curriculum Mapping Groups. These groups, organised around broad subject groupings have mapped provision across the partnership identifying pathways of progression. Through this mapping process, cross-partnership curriculum leaders have worked to ensure that progression from partner to partner is seamless and that any gaps in provision are identified. The work of the TCMGs has led to rationalisation of course titles and content, with the intention of bringing a greater level of clarity on progression opportunities for students.

The geographical distances that separate the academic partners of UHI, precludes competition for the most part between colleges for students. The new campus in Inverness has created a 'pull' in the inner Moray Firth but not to any significant detrimental degree. Any historic competitive practice for Modern Apprenticeship provision has been addressed through the development of a regional WBL Hub and single contracts for Foundation, Modern and Graduate Apprenticeships. Within the scope of these contracts, partners are working collaboratively to maximise contract size and value, placing apprenticeships according to demand rather than historic academic partner practice.

Clusters of colleges facing similar challenges of population change and geographical remoteness are beginning to work collaboratively to use the collective resource to develop a technologically enabled curriculum. The region anticipates that these nascent developments are indicative of the future of the UHI partnership with greater use being made of technology in further education to enhance the viability of courses in rural and remote locations.

In order to ensure on-going alignment of the curriculum and to address any intermittent development issues identified locally or regionally, the RSB is investing in an additional resource to be employed at a senior level to work on a peripatetic basis according to need. This resource will provide the partnership with means to drive change programmes across the partnership as well as address any specific concerns raised by partner agencies.

6. Does the RSB allocate capital funding in a clearly prioritised way? Does it have an estates strategy that identifies future estates needs and current maintenance needs?

The university has a ten year estates strategy which covers both further and higher education as the one estate is used for delivery of all levels of teaching. This strategy clearly identifies future estates needs and is updated on a regular basis based on changing priorities, condition reports and new activities across the partnership. The most recent version was submitted to Scottish Funding Council in August 2017. The priorities are set using Multi Criteria Decision Analysis software with all partners engaged in agreeing criteria and the outputs are shared across the partnership. Capital funding from Scottish Funding Council has been limited in recent years and has largely been used to fund high priority backlog maintenance. Funding of two outline business cases and one full business case from academic partners has been supported by contributions from both Scottish Funding Council and the university. The university has also provided capital funding from its reserves to enable some high priority capital projects at partners to proceed.

7a. Does the region have an effective outcome agreement that clearly articulates regional need and links changes in funding to that regional need?

The RSB takes an inclusive approach to the development of the ROA which spans further and higher education, engaging with senior staff and members of governing bodies from across the partnership in its development through executive-led workshops and discussions at the Further Education Regional Board and Court. Consultation with internal and external stakeholder groups have been led by academic partners.

The ROA details the region's response to national and regional drivers and links to academic partner Evaluative Reports and Action Plans where appropriate. Given the size and complexity of the region as well as the tertiary nature of the institution, to meet the demands of the guidance issued, the ROA for the University of the Highlands and Islands is unwieldy. The RSB would wish to move to a more concise form of agreement in future years that is more easily understood by stakeholders.

Additional funding that has been made available through European funding streams has supported the University in its response to demand for enhanced provision in specific industry sectors and growth in higher education numbers. Additional funding has supported the development of Graduate Apprenticeships at level 8 and 10 in Civil Engineering and an in-house bespoke work-based learning degree in Computing in collaboration with IBM. Specific funding streams have also supported the region in its development of local initial teacher education, nursing and midwifery.

In further education, student activity credits have been redistributed, to a degree, to reflect changing levels in demand at some partners. For instance, having struggled to meet its activity target for several years, Lews Castle College accepted an adjustment of 1,000 credits which were redistributed amongst Inverness, Shetland and West Highland Colleges. The distribution of rurality funding has also been adjusted to reflect SFC guidance, allocating this funding to those partners operating in the most remote and rural areas, attempting to maintain breadth of provision across a wide geographical area, delivering through multiple learning centres.

7b. Does the ROA have robust targets for all the key measures, and is performance against those targets measured?

The region takes an inclusive approach to the development of ROA targets, bringing academic partner principals and UHI senior managers together to consider performance trends and ambition. Targets are aligned to regional and national ambition and compare well to the national performance

trends. Although the region performs very well against sector norms, targets reflect on-going ambition and a recognition that although regional performance is good, there are areas within which there is scope for improvement. The region has responded to the Scottish Government's ambition to eliminate the attainment gap experienced by disadvantaged students and has mirrored that ambition in its ROA.

The region monitors performance against ROA targets through a centrally generated reporting system, accessible by all partners. This report generates live information fed from the SITS student records system against ROA targets. Key elements of the ROA targets, for instance student activity core and ESIF targets are monitored on a weekly, monthly, quarterly and annual basis through the UHI and academic partner executive, UHI SMT, Partnership Council, FERB and UHI Court respectively. Performance against most targets in further education is only possible on an annual basis. This is undertaken by the above groups as well as the regional Senior Management Curriculum Team and the Quality Forum. Key performance indicators are analysed by the Quality forum to inform regional curriculum subject review activity to support regional subject action planning to enhance performance.

The RSB has further assurance of performance against performance indicators through local monitoring of performance undertaken by partner SMT and Boards of Management. Boards are actively engaged in external review processes and endorse EREP reports submitted to Education Scotland and SFC. The requirement for academic partner to have access to regular, timely, accurate and adequate information to monitor performance and account for the use of public funds is made explicit in the Financial Memorandum agreed between the University as RSB and academic partners.

8. How is the RSB monitoring the performance of its assigned colleges in relation to:

a. Quality of teaching?

The Vice-Principal (Further Education) meets regularly with the regional inspector from Education Scotland to discuss Education Scotland interaction with academic partners and any national developments in external review processes. The region works with the Quality Forum to consider the regional approach to EREP and participates in EREP pre-endorsement meetings. The RSB receives copies of draft and endorsed EREP documents and these are shared with FERB members.

These externally validated self-assessments of performance are made in the context of robust analysis of current performance indicators and trend data. This local analysis is further supplemented by a regional analysis undertaken by Quality Forum of which all partners are members. In academic 2018/19 following this analysis, partners worked in partnership to undertake a regional review of subject areas where there was identified need for development, recognising the opportunity to work collaboratively to address common challenges and transfer effective practice wherever possible.

A key initiative in 2018/19 has been the development of a Learning and Teaching Review process for regional application. This LTR has been developed by Moray College, although it is very similar to processes already running at Inverness College and North Highland Colleges. It is being piloted at Moray and Argyll College in Semester two of academic year 2018/19 with the intention of wider implementation in the next academic year. The RSB is very supporting of such regional initiatives that are developmental in intent and closely linked to the UHI Learning and Teaching Strategy.

Many partners have Associate Assessors on their staff who are engaged by Education Scotland to participate in review activity across the college sector. The RSB has made use of this expertise to

provide support to partners experiencing particular challenges and will continue to do so, not least through regional review at subject level.

b. Student achievement/attainment, including access and inclusion?

As described above, the region, along with all academic partners, monitors performance in terms of student attainment, using national benchmark data wherever possible. Analysis of trend data has established that the region delivers a proportionate number of student activity credits to students residing in areas of multiple disadvantage and BME students that proportionately exceeds the representation of these groups in the regional population. Furthermore the proportion of student activity credits delivered to students with care experience far exceeds the national norm. As described above, performance is monitored through executive and governance groups and is reported regionally and locally by academic partner.

An area of difficulty for the region is the monitoring of local and regional performance in terms of the challenge of rural deprivation. Very few SIMD10 post code zones are represented in the region but the region has the considerable challenge of supporting students living in areas of rural deprivation for which there is no nationally recognised measure.

Having exceeded the national norm for delivery of student activity credits to recognised groups of disadvantaged students, the region is focussing its attention on eliminating the attainment gap for these student over the course of the current ROA. The region recognises the challenge in this agenda and has been proactive in developing a regional strategy, on conjunction with academic partners, with the intention of providing a regionally coherent response to these challenges and achieving a more consistent student experience.

c. Financial sustainability?

Academic partner finances are monitored through regular reports to UHI SMT, Partnership Council, FERB and Court. Through the Financial Memorandum between the RSB and academic partners, assurance is sought that each college manages its activities to remain 'sustainable and financially viable...covering its costs and allowing for maintenance and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands.'

Partners are required to advise the RSB as soon as they have concerns around their financial position which allows support to be offered at the earliest stage. Since the university took on the role of RSB in 2014 there have been several examples of financial and staff resource being offered to help sustain partners through difficult periods.

There is an ongoing focus on efficiency and financial sustainability across the partnership and we are aware that further work needs to be done on sharing resource more effectively and planning for the long term sustainability of each partner.

d. Quality of Governance?

The RSB and each of its assigned colleges carries out an annual effectiveness review of its governing body and its senior committees. Every three years this assessment is required to be externally facilitated. The assigned colleges submit the report of their annual review together with the associated action plan to the RSB. The action plan is monitored to ensure it has been completed by the due date.

The RSB is responsible for the appointment of the chairs and independent board members to the boards of our five incorporated colleges. The Chair of the University Court and one other lay governor carries out an annual appraisal of the chair of these five colleges and the chair in turn is required, under their letter of appointment, to carry out an appraisal of each of the board members. No similar arrangement exists for the other 4 assigned colleges who are responsible for their own appointments and appraisal arrangements.

Each of the nine assigned colleges are required to advise the RSB of any issues or concerns relating to their governance arrangements through the financial memorandum with the RSB and the principal of each of these bodies provides an annual certificate of assurance to confirm that there are no issues.

9. How does the RSB support and ensure financial sustainability in its assigned colleges? What mechanisms are in place to support colleges (working with SFC as necessary) facing financial challenges?

The RSB recognises that from time to time colleges will face financial challenge as a result of changing circumstances. At such times, the RSB has provided support, financial and through provision of executive support to help colleges overcome such challenges.

The RSB has for instance, recognised the need to use trend data (rather than any individual year's change in student activity) to inform student activity allocations and associated funding. Where particular challenge has arisen, the RSB has made transitional funding available to support a college in recovery or advanced funds where required. Where SFC guidelines have driven redistribution of funding (for example in the case of rurality and remoteness funding), several years transitional funding has been provided to support colleges needing to plan for budgetary change.

There have been a number of examples since 2014 where staff or funding have been provided to support a partner going through a period of difficulty.

10. How does the RSB promote the use of the credit and qualifications framework to its assigned colleges?

As a tertiary organisation spanning further and higher education, the University partnership is heavily reliant on the Scottish Credit and Qualifications Framework (SCQF) to define locally and regionally map and promote its provision. Academic partners and the University in its totality have a standard approach to course definition in the use of on-line prospectus information that clearly identifies SCQF level.

Tertiary curriculum maps showing regional provision, illustrating pathways through to further/higher levels of study and/or employment opportunities are also structured by SCQF level. Individual partners make sure of credit-rating mechanism across SCQF levels to add value and transferability to non-accredited learning opportunities. Such mechanisms are invaluable in terms of the widening access agenda.

Overall, the region believes that the SCQF framework is fully embedded in the work of the colleges and the University.

11a. Is the RSB efficient in its own operations (that is, is it minimising the amount of funding it uses for its own operation as opposed to funding provision); and is it promoting efficiency in its region (e.g. through reducing duplication, creating shared services or promoting structural change)?

The funding allocated to the RSB to support provision of further education in 2018/19 was £46,670,964. Of this, the retention to cover RSB administrative costs which include £85,000 subscription to Colleges Scotland, regional committee costs and remuneration and salaries (Chair of FERB, Vice Principal Further Education, part-time PA, Data Reporting Services and the Single Policy Environment Project Manager) was £346,206. A further contribution of £36,524 was made by the University to support the work of the Single Policy Environment in recognition of the tertiary nature of many of the policies being developed. The overhead cost of the WBL Hub was covered through SDS contracts. The operations of the RSB in relation to FE funding represents 0.7%- 0.9% of the total funding allocation to the region (depending on whether or not national bargaining funding is included in the calculation).

The RSB has established the WBL Hub to support single apprenticeship contracts for FA, MA and GA, which has reduced much of the contract management work undertaken by colleges. The WBL Hub has also developed communities of practice that supported shared development of curriculum materials and collaborative approaches to development of deliver mechanisms. The WBL has supported growth in contract value, and therefore income to partners year on year since its inception.

The region funds a post to provide central student data reporting services and this post is central to the on-going development of a self-service dashboard reporting tool using Power BI that will enable partners to make best use of data to inform enhancement plans as well as supporting local and regional monitoring or progress against organisational KPIs and ROA targets.

IT network services are centrally provided but although proposals have been made to develop shared services none have yet come to fruition.

During academic year 2018/19, good progress has been made in standardising student data management processes to support student enrolment, student attendance recording, recoding of results and curriculum planning using the SITS student record system.

In addition to this work the Quality Forum has taken a more rigorous approach to standardising quality management systems, working through Quality Assurance and Enhancement processes to reduce duplication of effort, bring greater levels of consistency whilst still encouraging creative approaches from which all partners can benefit.

The Single Policy Environment Project, launched in academic year 2018/19 has brought partners together to develop regional policies prioritising student-facing policies. The project is now moving into a second phase initially focussing on Carbon Emissions and Carbon Management and Health and Safety Management. This regional policy environment is building additional resilience through better management of corporate knowledge and creating a context within which partners can better support one another through temporary or longer term skills gaps. Benefits are also being realised through regional communities of practice for specialist and professional staff and through achieving greater levels of consistency in the student experience.

11b. What analysis has the RSB undertaken to ensure that assigned colleges are operating efficiently?

The RSB seeks assurance through the Financial Memorandum that academic partners are striving to achieve value for money and that they are economical, efficient and effective in their use of public funding.

No specific analysis has been undertaken to ensure that individual assigned colleges are operating efficiently but assigned colleges are encouraged to share resource. The single policy environment project, the offer of regional co-ordination and support on many compliance matters such as GDPR, equality and diversity, Prevent duty and provision of cohesive IT, telephony, student records and video conferencing systems are examples of where the RSB works to drive efficiency across the region.

12. Are there effective relationships within the region? Is the RSB working well with its assigned colleges so that they see its value?

Effective working relationships can be evidenced through the operation of regional executive structures such as:

- Partnership Council
- Senior Management Curriculum Team
- Quality Forum
- UHI WBL Hub

A review of decisions taken and initiatives driven through these committees and teams is indicative of the ability of the region to work collaboratively and productively. Agreement to work collaboratively to address, for instance, industry sector needs through strategic groups for engineering and computing (spanning all SCQF levels) illustrates the shared recognition that a regional approach and collaborative work is required if we are to realise the potential of the region. The region has agreements in place to work within a single contract framework for apprenticeships. The willingness of partners to work through the regional WBL Hub to agree distribution of MA places, in-year, to maximise the region's ability to achieve contract growth demonstrates the maturity of these relationships and the key role of the RSB as facilitator in these arrangements.

Partners have also been appreciative of the outputs from the Single Policy Environment Project. The RSB has played the part of facilitator in policy development, providing project management support to enable partners to collectively create standard policies that are approved locally by governing bodies.

The Further Education Regional Board provides a forum for interaction between the Chairs of Academic Partner Chairs within which national and regional challenges can be discussed. FERB has delegated authority to distribute the regional FE funding allocation and has managed to secure agreement amongst partners for the distribution of funds to support FE across the region each year, implementing processes of re-distribution where required. FERB has taken a key role in achieving the correct levels of funding to support the implementation of national bargaining within the region.

The RSB provides additional interim support to partners experiencing difficulties. This support has taken the form of financial advances, transitional funding that temporarily allocated a greater proportion of funding to specific partners facing significant temporary financial challenges, mentoring support for key senior staff and challenge through provision of critical friends. The uptake of such support across a range of partners suggests that relationships are effective.

Although there are at times tensions evident in relationships between the RSB and academic partners or indeed between academic partners, these are indicative of the structural complexities within which the RSB and academic partners operate. The accountability of Boards of Management and that which falls to the RSB can create diverging agendas which can be, at times, difficult to navigate.

The costs of the RSB are minimal in relation to the funding allocated to the region. While this appears to be efficient, the lack of resource being directed to develop for instance networked provision in FE, fundamental to achieving curriculum breadth in more remote settings constrains regional responsiveness. Similarly, the RSB could add greater value through the development of shared services realising further efficiency gain with the potential for shifting more resource to core teaching and learning in doing so.

13. How does the RSB, either directly or through its colleges, engage with:

Staff unions and student associations?

The RSB meets directly with representatives from trades unions recognised by academic partners through an information sharing group. Colleges themselves also engage with their recognised trades unions through local Joint Consultative Committees and through membership of the Employers Association that negotiates with trades unions on their behalf in line with the NRPA and National bargaining arrangements.

The region benefits from a single students association HISA, collectively funded by the University and its academic partners. Regional and local sabbatical officers work in partnership with regional and local management structures to facilitate student engagement. There are well-developed mechanisms supporting student engagement such as Partnership Agreements and well-developed formal systems of student representation.

Schools employers, local authorities and other post-16 education providers?

As described in earlier sections, the region has well established regional and local engagement with that number of CPPs with which we engage. Engagement with schools is organised regionally and locally to promote pathways through HE and FE respectively. The complexity and size of the region necessitates local engagement as a priority and the high proportion of activity dedicated to school/college collaborative work is illustrative of the constructive nature of these relationships.

Relationships are developed through local partners with other post-16 providers to support articulation and access to HE from the rest of Scotland. All formal arrangements, including franchise opportunities that have been developed are subject to regional scrutiny and monitoring.

Other interests in its region?

National Manufacturing Institute for Scotland (NMIS)

The university is engaging with this national initiative aimed at increasing the productivity of Scottish manufacturing industry. This initiative is *"an industry-led international centre of manufacturing expertise. Industry, research and the public sector will work together to transform skills, productivity and innovation."*² In addition to the Renfrew centre, NMIS will work across the nation to deliver its mission. Uniquely UHI will be working simultaneously at college and university levels as a regional tertiary body. Through the recently formed NMIS steering group, UHI will coordinate its FE and HE engagement with NMIS and align its outputs to the requirements of the UHI region.

In practical terms with will initially involve:

- Academic Partners engaging with SDS and HIE to participate in the train the trainers programmes across the UHI region.

² <https://news.gov.scot/news/national-manufacturing-institute-for-scotland>

- UHI hosting the first of a series of upskilling training events for businesses and providing case studies and contextualised content.
- Coordinated applications for the Advanced Manufacturing Challenges Fund (AMCF) not only linked to 'local' business and UHI Academic Partners but also to the regional strategies of the university.

This work is being taken forward in conjunction with HIE and hopefully Scottish Enterprise, as their aims and that of the university and NMIS obviously coincide to a broad extent. In all discussion about the so called 'triple helix' of industry, public bodies and academia, it is clear that demand for skills and knowledge is aimed at the full spectrum of the SCQF (FE and HE) and that UHI is very well placed to meet this demand with its unique structure.

Growth Deals

The links between local, regional and national agendas spanning the full FE and HE spectrum is taken forward in other ways in UHI, one such being the **Moray Growth Deal (MGD)**. The university's plans here include centres of excellence in enterprise, advanced manufacturing and aviation. The plans include work at school level to provide inspiration, highly innovative technician-level training and upskilling. It will also include, industry-focused research aimed at the next generation of technology applications. In all of this HIE is a key partner along with private companies including but not limited to Boeing. Other examples of this strategic blending of local and regional, linked to national approaches and delivered at both FE and HE include:

- The UHI School of Health and Allied Life Sciences
- The STEM Hub and regional development of Newton Rooms
- The MAXIMAR consortium
- The Centre for Rural Creativity

Are there enhanced stakeholder/employer engagement structures, providing a 'one door' approach?

The university has a single work and enterprise strategy which provides the framework for a cohesive approach to employer engagement across the region. This is supported by a region wide Customer Relationship Management (CRM) platform which allows partners to log activity and see if an employer has an existing relationship with any part of the university. A Key Account Director is employed to develop relationships with large employers, co-ordinating support and engagement across groups of academic partners.

Regular business development practitioner group meetings are held to share good practice and ideas and encourage consistency of approach.

A programme board for work and enterprise, chaired by the university's chief operating officer and secretary, meets on a quarterly basis and comprises senior colleagues from across the partnership.

Is there a cross-college Board collaboration on issues such as risk management, GDPR, cyber security and equality and diversity?

The RSB has developed, with academic partners, an agreed list of 12 commonly recognised risks. Academic partners are able to add to these locally through a common software platform. This allows for full visibility of risks across the partnership and reports can be tailored as appropriate. The university and academic partners' risk registers are considered by the respective senior management teams and boards of management, the UHI Risk Review Group, FERB and Court.

The RSB funds, through APUC, on behalf of the region, a data protection officer to work across most of the partnership (excluding Inverness, Shetland and Orkney Colleges) providing direction on GDPR issues to the University partnership.

The university's Libraries and Information Services department co-ordinates information security activities and a single information security policy has been adopted across the partnership. Working together with IT staff across the partnership, the team have been successful in securing our Cyber Essentials certification in March for all aspects of our activity.

Whilst each partner reports separately on their Equality and Diversity activities, regular workshops and training sessions are arranged by our equality and diversity manager to share good practice and support staff across the partnership.

There are many examples of sharing good practice and policies across the partnership through a range of practitioner groups particularly in areas of compliance where there is no benefit in "reinventing the wheel."

Action Plan

Action	Deadline
Regional schedule and process agreed for the development and alignment of regional and local strategic plans	January 2020
Development of a regional structured approach to portfolio review to be implemented by each academic partner	June 2020
Development of a regional senior phase offer that makes use of technology-enabled delivery where advantageous	June 2020
Implementation of an on-going regional review of provision in subjects where attainment is low to inform improvement plans	January 2020
Exploration of the potential for further development of shared services to create efficiencies and improve effectiveness	January 2020
A process will be developed by which an analysis of efficiency of operations can be undertaken across the region	January 2020